



**YUMMY BEAR GOODS INC.**

**LISTING STATEMENT**

**IN CONNECTION WITH THE LISTING OF THE COMMON SHARES OF YUMMY BEAR GOODS INC. FOLLOWING  
THE COMPLETION OF A BUSINESS COMBINATION TRANSACTION WHICH RESULTED IN A REVERSE  
TAKEOVER AND CHANGE OF BUSINESS**

**June 30, 2021**

**No underwriter has been involved in the preparation of this Listing Statement or performed any review or independent due diligence of the contents of this Listing Statement.**

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**Schedule “A” - Fire River Financial Statements**

- **Audited Financial Statements for Fire River Gold Corp. for the years ended October 31, 2020 and 2019**
- **Unaudited Financial Statements for Fire River Gold Corp. for the six month period ended April 30, 2021**

**Schedule “B” - Fire River MD&A**

- **Fire River Gold Corp. MD&A for the fiscal year ended October 31, 2020 and the six month period ended January 31, 2021**

**Schedule “C” - Yumy Bear Financial Statements**

- **Audited Financial Statements for Yumy Bear Goods Inc. for the period from September 9, 2020 (date of incorporation) to January 31, 2021**
- **Unaudited Financial Statements for Yumy Bear Goods Inc. for the three month period ended April 30, 2021**

**Schedule “D” - Yummy Bear MD&A**

- **Yummy Bear Goods Inc. MD&A for the period from September 9, 2020 (date of incorporation) to January 31, 2021 and the three months ended April 30, 2021**

**Schedule “E” - Resulting Issuer Pro Forma Consolidated Balance Sheet**

**Schedule “F” - Audit Committee Charter**

## INTRODUCTION

This Listing Statement is furnished on behalf of the management of the Resulting Issuer in connection with the Transaction and the listing of the Resulting Issuer Shares on the CSE under the symbol “YUMY”. Capitalized terms used in this Listing Statement which are not otherwise defined in the body of the Listing Statement shall have the meanings set forth under the Glossary of Terms. Information contained in this Listing Statement is given as of June 30, 2021, unless otherwise specifically stated.

## TRADEMARKS AND TRADENAMES

This Listing Statement and the documents incorporated herein by reference include references to the Resulting Issuer’s trademarks (and those of its subsidiaries) which are protected under applicable intellectual property laws and are the Resulting Issuer’s property (or that of its subsidiaries, as the case may be). The Resulting Issuer’s trademarks and trade names referred to in this Listing Statement and the documents incorporated herein by reference, may appear without the ® or ™ symbol. However, references to the Resulting Issuer’s trademarks and trade names in the absence of such symbols are not intended to indicate, in any way, that the Resulting Issuer will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. All other trademarks and trade names used in this Listing Statement or in documents incorporated herein by reference are the property of their respective owners.

## NOTICE TO READER

In this Listing Statement, unless otherwise noted or the context indicates otherwise, “**Fire River**” refers to Fire River Gold Corp. prior to the Closing of the Transaction (as herein defined) and the “**Resulting Issuer**” refers to the resulting issuer to the Transaction, which changed its name to “Yummy Bear Goods Inc.” on June 30, 2021.

This Listing Statement includes market and industry data that has been obtained from third-party sources. The Resulting Issuer believes that the data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third-party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

## FORWARD LOOKING STATEMENTS

The information provided in this Listing Statement, including information incorporated by reference, may contain “forward-looking statements” about Fire River, Yummy Bear or the Resulting Issuer (each as hereinafter defined). All statements, other than statements of historical fact, made by the Resulting Issuer or in respect of Fire River, Yummy Bear or the Resulting Issuer that address activities, events or developments that are expected or anticipated to occur in the future are forward-looking statements.

Forward-looking statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward looking statements, including, but not limited to, risks and uncertainties related to:

- (i) the regulations of the industries in which the Resulting Issuer operates, including the food industry;
- (ii) the anticipated benefits from the Transaction;

- (iii) certain combined operational and financial information;
- (iv) the nature of the Resulting Issuer's business and operations;
- (v) forecasts of expenditures, including general and administrative expenses;
- (vi) expectations regarding the ability to raise capital;
- (vii) fluctuations in currency exchange rates;
- (viii) the Resulting Issuer's business focus and outlook;
- (ix) plans and objectives of management for future operations;
- (x) anticipated operational and financial performance; and
- (xi) such other risks described in this Listing Statement and described from time to time in documents filed by the Reporting Issuer.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Resulting Issuer and while consideration has been given to list what the Resulting Issuer thinks are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Listing Statement in connection with the statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to:

- (i) no material changes in the legislative and operating framework for the business of the Resulting Issuer;
- (ii) stock market volatility and market valuations;
- (iii) the ongoing effects of COVID 19;
- (iv) no material adverse changes in the business of any of the parties;
- (v) the ability of the Resulting Issuer to access capital subsequent to the Transaction; and
- (vi) no materially adverse events occurring outside the ordinary course of business of the parties.

Although the Resulting Issuer believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. As such, readers should consider the risk factors described under "*Risk Factors*" and other risks described elsewhere in this Listing Statement and in the documents incorporated by reference herein. Additional information on the Resulting Issuer may be accessed on the Resulting Issuer's profile (formerly Fire River's profile) through SEDAR ([www.sedar.com](http://www.sedar.com)). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Listing Statement.

Forward-looking statements made in this Listing Statement and other documents of Fire River, Yumy Bear or the Resulting Issuer, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Resulting Issuer. The cautionary statements contained or referred to in this section

should be considered in connection with any subsequent written or oral forward-looking statements that the Resulting Issuer and/or persons acting on its behalf may issue. The Resulting Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

### **Financial and Exchange Rate Information**

The financial statements included in this Listing Statement have been prepared in accordance with IFRS and the audit of such financial statements is subject to Canadian auditing and auditor independence standards. These financial statements may not be comparable to financial statements of United States companies. The Resulting Issuer's Pro Forma Consolidated Balance Sheet, the Fire River Financial Statements and the Yummy Bear Financial Statements have been prepared in Canadian Dollars.

Unless otherwise stated herein, all references to "\$" and "dollars" are to Canadian currency.

## 1. Glossary of Terms

In this Listing Statement, the following terms have the following meanings:

“**Amalco**” means SubCo, the resulting entity following the Amalgamation, which is, following the Closing, a wholly-owned subsidiary of the Resulting Issuer, and the business of which is the business of Yummy Bear prior to the Amalgamation;

“**Amalgamation**” means the Amalgamation involving SubCo and Yummy Bear under the Business Combination Agreement pursuant to the BCBCA to which Amalco is the successor (See “*General Development of the Business - The Business Combination Agreement*”);

“**Audit Committee**” means the audit committee of the Resulting Issuer, and, where applicable, the audit committee of Fire River prior to the Closing;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

“**BCSC**” means the British Columbia Securities Commission;

“**Business Combination Agreement**” means the business combination agreement dated April 1, 2021 made among Fire River, SubCo, Yummy Bear and certain persons listed on Annex 1 attached thereto, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com);

“**Cease Trade Orders**” has the meaning ascribed to that term under the heading “*Corporate Structure and Incorporation – Corporate Name and Address – Resulting Issuer*”;

“**Closing**” means the closing of the Transaction in full;

“**Closing Date**” means the date of Closing;

“**Concurrent Financing**” has the meaning ascribed to that term under the heading “*General Development of the Business – The Concurrent Financing*”;

“**Consolidation**” means the consolidation of Fire River Shares on a 3-1 basis (from 10,304,415 to 3,434,804 with rounding), as detailed under the heading “*General Development of the Business – Business Combination between Fire River and Yummy Bear*”;

“**CSE**” means the Canadian Securities Exchange;

“**Escrowed Securities**” has the meaning ascribed to that term under the heading “*Escrowed Securities*”;

“**Fire River**” means Fire River Gold Corp., a company incorporated pursuant to the laws of the Province of British Columbia on September 22, 1997, as it existed prior to the Closing of the Transaction;

“**Fire River Board**” means the board of directors of Fire River, as it was constituted immediately prior to the Closing of the Transaction and at all relevant times;

“**Fire River Financial Statements**” means the audited financial statements for Fire River for the years ended October 31, 2020 and 2019, and the unaudited financial statements for Fire River for the six month period ended April 30, 2021, attached to this Listing Statement as Schedule “A”;



**“Fire River Financing”** has the meaning ascribed to that term under the heading *“General Development of the Business – Fire River – Prior Sales”*;

**“Fire River Financing Unit”** has the meaning ascribed to that term under the heading *“General Development of the Business – Fire River – Prior Sales”*;

**“Fire River Financing Warrant”** has the meaning ascribed to that term under the heading *“General Development of the Business – Fire River – Prior Sales”*;

**“Fire River Shareholder”** means holders of Fire River Shares, prior to the Closing of the Transaction;

**“Fire River Shares”** means the issued and outstanding common shares in the capital of Fire River;

**“IFRS”** means International Financial Reporting Standards developed and maintained by the International Accounting Standards Board;

**“Listing Statement”** means this CSE Form 2A Listing Statement, including all information incorporated by reference herein together with all Schedules hereto;

**“MD&A”** means management discussion & analysis relating to the relevant entity;

**“Name Change”** means the change of name of Fire River to “Yumy Bear Goods Inc.”, which took effect on June 30, 2021, concurrently with the Closing;

**“NEO”** or **“Named Executive Officer”** has the meaning set forth under the heading *“Executive Compensation”*;

**“NI 52-110”** means National Instrument 52-110 – *Audit Committees*;

**“NP 46-201”** means National Policy 46-201 – *Escrow for Initial Public Offerings*;

**“Option Plan”** means the stock option plan of Fire River as approved by the Fire River Shareholders at a meeting held on May 26, 2020, which Option Plan will become the option plan of the Resulting Issuer;

**“Related Entity”** means, in respect of a CSE issuer:

- (a) a person
  - (i) that is an affiliated entity of the CSE issuer,
  - (ii) of which the CSE issuer is a control block holder;
- (b) a management company or distribution company of a mutual fund that is a CSE issuer; or
- (c) a management company or other company that operates a trust or partnership that is a CSE issuer;

**“Related Person”** means, in respect of a CSE issuer:

- (a) a Related Entity of the CSE issuer;
- (b) a partner, director or officer of the CSE issuer or Related Entity;
- (c) a promoter of or person who performs Investor Relations Activities for the CSE issuer or Related Entity;

- (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the CSE issuer or Related Entity; and
- (e) such other person as may be designated from time to time by the CSE;

**“Resulting Issuer”** means the resulting issuer following the Amalgamation and the Closing of the Transaction;

**“Resulting Issuer Board”** means the board of directors of the Resulting Issuer, as reconstituted following the Closing;

**“Resulting Issuer Pro Forma Consolidated Balance Sheet”** means the pro forma consolidated balance sheet of the Resulting Issuer as at April 30, 2021, attached to this Listing Statement as Schedule “E”;

**“Resulting Issuer Shareholders”** means the holders of the Resulting Issuer Shares;

**“Resulting Issuer Shares”** means the issued and outstanding common shares in the capital of Resulting Issuer, on a post-Consolidation basis;

**“Resulting Issuer Options”** means the options of the Resulting Issuer to purchase Resulting Issuer Shares;

**“Resulting Issuer Warrants”** means warrants to acquire Resulting Issuer Shares;

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

**“SubCo”** means 1295304 B.C. Ltd. as it existed prior to the Closing of the Transactions, a company incorporated pursuant to the laws of the Province of British Columbia on March 28, 2021 for the purpose of effecting the Amalgamation;

**“Transaction”** means, collectively, the Amalgamation, Consolidation and Concurrent Financing, resulting in a reverse takeover and change of business of Fire River;

**“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

**“Yumi Bear”** means Yumi Bear Goods Inc.;

**“Yumy Bear Financial Statements”** mean the audited financial statements for Yumy Bear for the period from September 9, 2020 (date of incorporation) to January 31, 2021, and the unaudited financial statements for Yumy Bear for the three month period ended April 30, 2021, attached to this Listing Statement as Schedule “C”;

**“Yumy Bear Shares”** means the issued and outstanding common shares in the capital of Yumy Bear;

**“Yumy Bear Shareholders”** means the holders of the Yumy Bear Shares; and

**“Yumy Bear Warrant”** means one common share purchase warrant of Yumy Bear, exercisable into one Yumy Bear Share at an exercise price of \$0.05 and with an expiry date of October 22, 2022.

## 2. Corporate Structure and Incorporation

### Corporate Name and Address

#### **Resulting Issuer**

The Resulting Issuer was incorporated under the BCBCA on September 22, 1997. Each name change of the Resulting Issuer was made pursuant to the BCBCA.

The Resulting Issuer is a reporting issuer in British Columbia, Alberta and Ontario. On March, 24, 2014, the Resulting Issuer's common shares were subject to a cease trade order issued by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission (the "**Cease Trade Orders**"). On January 20, 2015 the Cease Trade Orders were revoked by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission. On October 20, 2015, the Resulting Issuer's common shares were halted from trading on the NEX/TSXV.

Effective January 13, 2021, Fire River's common shares resumed trading on the NEX/TSXV. As of July 31, 2020, Fire River had no mining or exploration projects.

On April 5, 2021, in connection with the announcement of the Business Combination Agreement, Fire River's common shares were halted from trading on the NEX/TSXV.

The Resulting Issuer has applied to have its securities listed on the CSE under the symbol to "YUMY" and has correspondingly applied to have its securities delisted from the TSX Venture Exchange.

The Resulting Issuer's head office and registered office is located at 25<sup>th</sup> floor, 700 W. Georgia St., Vancouver, British Columbia V7Y 1B3.

The Resulting Issuer has one wholly owned subsidiary, Amalco.

#### **Amalco**

Amalco was incorporated under the BCBCA on March 18, 2021 under the name "1295304 B.C. Ltd." and prior to the Closing of the Transaction, was SubCo. At the Closing of the Transaction, SubCo amalgamated with Yummy Bear to become Amalco, a wholly owned subsidiary of the Resulting Issuer.

Amalco's head office and the registered office of Amalco is located at 25<sup>th</sup> floor, 700 W. Georgia St., Vancouver, British Columbia V7Y 1B3.

#### **Yummy Bear**

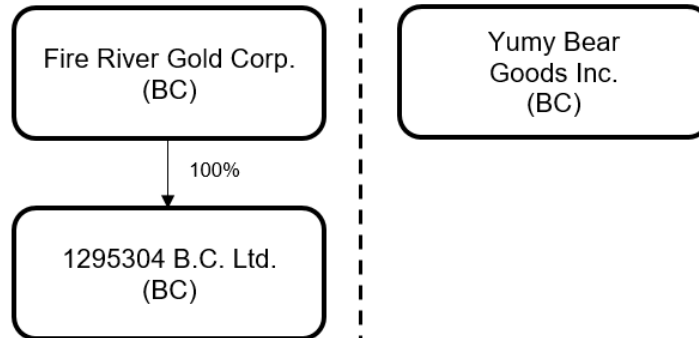
Yummy Bear was incorporated under the BCBCA on September 9, 2020 under the name "Yummy Bear Goods Inc."

At the Closing of the Transaction, Yummy Bear amalgamated with SubCo to become Amalco, a wholly owned subsidiary of the Resulting Issuer.

Prior to the Closing and giving effect to the Amalgamation, Yummy Bear's head office and registered office was located at 2404-838 West Hastings Street, Vancouver, BC, V6C 1C8.

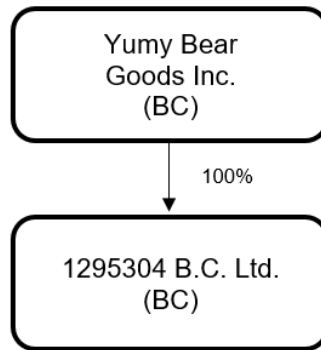
### Corporate structure prior to giving effect to the Transaction

The following organizational chart shows the intercorporate relationship between the entities prior to giving effect to the Transaction:



### Corporate structure after giving effect to the Transaction and Name Change

The following organisational chart shows the intercorporate relationship between the entities following the Closing of the Transaction:



## 3. General Development of the Business

### General Development and History

#### *Fire River*

Fire River was incorporated on September 22, 1997 under the laws of the Province of British Columbia and was a mineral exploration company focused on the acquisition, exploration and development of gold, silver and base metal properties. Fire River's common shares were listed for trading on the NEX Board of the TSX Venture Exchange (the "NEX/TSXV"). On March, 24, 2014, Fire River's common shares were subject to Cease Trade Orders issued by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission. On January 20, 2015, the Cease Trade Orders were revoked by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission. On October 20, 2015, Fire River's common shares were halted from trading on the NEX/TSXV. Effective January 13, 2021, Fire River's common shares resumed trading on the NEX/TSXV. On April 5, 2021, Fire River's common shares were halted from trading on the NEX/TSXV in connection with the announcement of the Transaction. See "Market for Securities – Exchange Information".

As of July 31, 2020, the Company had no mining or exploration projects.

On November 27, 2020, Mr. David Bentil and Ms. Sue He were appointed to the Fire River Board of Directors. Mr. Bentil was also appointed Chief Executive Officer of Fire River and Ms. He was appointed Chief Financial Officer of Fire River.

SubCo was incorporated on March 18, 2021 for the purpose of completing the Amalgamation. SubCo has no operating history. Pursuant to the Amalgamation, SubCo amalgamated with Yummy Bear to form Amalco as the resulting entity to the Amalgamation, a wholly-owned subsidiary of the Resulting Issuer.

### Recent Developments

On March 11, 2021, Fire River closed the Fire River Financing.

On April 1, 2021, Fire River and Yummy Bear entered into the Business Combination Agreement whereby Fire River agreed to acquire 100% of all of the issued and outstanding securities of Yummy Bear by way of the Amalgamation, which would result in a reverse takeover and change of business of Fire River, with the resulting issuer continuing the business of Yummy Bear. See "*General Development of the Business - Business Combination between Fire River and Yummy Bear*" below for more details.

Concurrently with the announcement of the Business Combination Agreement, Fire River's common shares were halted from trading on the NEX/TSXV.

On June 30, 2021, Fire River completed the Amalgamation, and the Transaction closed.

On June 30, 2021, Fire River changed its name to "Yummy Bear Goods Inc."

On June 30, 2021, Fire River completed a share consolidation (the "**Consolidation**") on a 3-1 basis (from 10,304,415 to 3,434,804 with rounding).

On July 5, 2021, the Resulting Issuer's common shares are expected to be delisted from the NEX/TSXV. On July 6, 2021, the Resulting Issuer's common shares are expected to commence trading on the CSE.

### Prior Sales

On March 11, 2021, Fire River closed a non-brokered private placement financing consisting of 7,142,855 units of securities of Fire River (each, a "**Fire River Financing Unit**") at a price of \$0.14 per Fire River Financing Unit, raising total proceeds of \$1,000,000 (the "**Fire River Financing**"). Each Fire River Financing Unit is comprised of one Fire River Share and one common share purchase warrant of Fire River (each, a "**Fire River Financing Warrant**"). Each Fire River Financing Warrant is exercisable into a Fire River Share at an exercise price of CDN\$0.185 with a 12-month expiry. Fire River Shares (and, following the Closing of the Transaction, Resulting Issuer Shares) issued pursuant to the Fire River Financing are subject to a four-month hold period ending on July 12, 2021 in accordance with applicable securities laws.

See also "*Prior Sales*".

### **Yummy Bear**

Prior to the Closing, Yummy Bear was engaged in the business of importing and sales of low sugar plant-based candy confectionaries.

See also "*Prior Sales*".

### **Business Combination between Fire River and Yummy Bear**

Prior to the Closing, Fire River had not completed any significant acquisitions or dispositions since the beginning of the most recent financial year of Fire River.

On June 30, 2021, Fire River had completed all steps of the Transaction and the Name Change, all in connection with its business combination with Yumy Bear, as set forth below. The Transaction constituted a fundamental change and a change of business of Fire River under the policies of the CSE.

The following steps were completed as part of, and in connection with the Transaction, to form the Resulting Issuer:

1. Fire River acquired 100% of the issued and outstanding Yumy Bear Shares pursuant to the Amalgamation. The terms of the Amalgamation are set forth in the Business Combination Agreement. Yumy Bear Shareholders (not including those Yumy Bear Shares issued pursuant to the Concurrent Financing), in exchange for 100% of the Yumy Bear Shares, received 22,000,000 Resulting Issuer Shares. Holders of Yumy Bear Warrants received 20,000,000 Resulting Issuer Warrants in exchange for their Yumy Bear Warrants. See "*The Business Combination Agreement*" below for more details on the Amalgamation and the Business Combination Agreement.
2. The Consolidation was completed.
3. The Concurrent Financing closed.
4. Concurrently with the Closing of the Transaction, the Resulting Issuer changed its name to "*Yumy Bear Goods Inc.*"
5. Concurrently with Closing, the Resulting Issuer Board was reconstituted to be the following: Erica Williams (who will also serve as Chief Executive Officer of the Resulting Issuer), Sue He (who will also serve as Chief Financial Officer of the Resulting Issuer), Cassidy McCord and Rachel King. See "*Directors and Officers – Management*" for biographies on the Resulting Issuer Board and management of the Resulting Issuer.

### ***The Concurrent Financing***

In connection with the Transaction and concurrent with Closing of the Transaction, Yumy Bear completed a financing (the "**Concurrent Financing**") consisting of an issuance of 2,053,328 Resulting Issuer Shares at a price of \$1.50 per Resulting Issuer Share for gross proceeds of \$3,080,000. Resulting Issuer Shares issued pursuant to the Concurrent Financing are subject to a four-month hold period ending on October 31, 2021 in accordance with applicable securities laws.

### ***Consolidated Capitalization***

The Resulting Issuer has 27,488,132 issued and outstanding Resulting Issuer Shares, and 22,380,953 Resulting Issuer Warrants (adjusted to reflect Fire River Financing Warrants on a post-Consolidation basis) exercisable for 22,380,953 Resulting Issuer Shares.

Upon completion of the Transaction:

- (i) Former Fire River Shareholders held an aggregate of 3,434,804 Resulting Issuer Shares, representing 12.50% of the (non-diluted) issued and outstanding Resulting Issuer Shares. Furthermore, holders of Fire River Warrants are entitled to receive 2,380,953 Resulting Issuer Shares upon exercise of their Fire River Concurrent Financing Warrants.
- (ii) Former Yumy Bear Shareholders, pursuant to the terms of the Amalgamation and not including those Yumy Bear Shares issued pursuant to the Concurrent Financing, were issued an aggregate of 22,000,000 Resulting Issuer Shares, representing 80.03% of the (non-diluted) issued and outstanding Resulting Issuer Shares. Furthermore, holders of Yumy Bear Warrants were issued an aggregate of 20,000,000 Resulting Issuer Warrants in exchange for their Yumy Bear Warrants.

- (iii) Subscribers who participated in the Concurrent Financing were issued an aggregate of 2,053,328 Resulting Issuer Shares, representing 7.47% of the (non-diluted) issued and outstanding Resulting Issuer Shares.

Certain of the Resulting Issuer Shares are subject to escrow conditions and applicable resale restrictions as required by applicable securities laws and CSE requirements. See “*Escrowed Securities*” set forth below.

### ***The Business Combination Agreement***

On April 1, 2021, Fire River, SubCo and Yumy Bear entered into the Business Combination Agreement. Pursuant to the Business Combination Agreement, and subject to the terms and conditions therein, Fire River acquired 100% of the issued and outstanding Yumy Bear Shares by the amalgamation of SubCo and Yumy Bear under the BCBCA, and Yumy Bear Shareholders became shareholders of the Resulting Issuer (the “**Amalgamation**”). Yumy Bear Shareholders (not including those Yumy Bear Shares issued pursuant to the Concurrent Financing) received 22,000,000 Resulting Issuer Shares in exchange for their Yumy Bear Shares. Following the Fire River Share Consolidation and the Amalgamation, Fire River Shareholders collectively held 3,434,804 Resulting Issuer Shares, representing 12.50% (non-diluted) issued and outstanding Resulting Issuer Shares.

Pursuant to the Business Combination Agreement, each Yumy Bear Share prior to the Amalgamation entitled the holder thereof to be issued one Resulting Issuer Share.

The above description of the Business Combination Agreement in this Listing Statement is a summary only, and is not exhaustive and is qualified in its entirety by reference to the terms of such agreements, which are available on the Resulting Issuer’s profile at [www.sedar.com](http://www.sedar.com) and which are incorporated by reference herein.

### **Trends, Commitments, Events or Uncertainties**

The most significant trends and uncertainties which management expects could impact its business and financial condition are: (i) changes in laws, regulations and guidelines; (ii) ongoing effects of the COVID-19 pandemic; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. See section entitled “*Risk Factors*”.

## **4. Narrative Description of the Business**

### **General**

Following completion of the Transaction, the principal business of the Resulting Issuer is the business of Yumy Bear, which is imports and sales of low sugar plant-based candy confectionaries. See “*General Development and History*” for a description of the business of Yumy Bear prior to the Closing, and the Resulted Issuer’s business following completion of the Transaction.

### ***Business Objectives***

The Resulting Issuer expects to accomplish the following business objectives over the 12-month period following completion of the Transaction, directly or indirectly through its subsidiaries on a consolidated basis. It is expected that growth strategies will be applied across each business segment concurrently to maximize economics. The following list is not a complete list of milestones and business objectives and is subject to change.

<u>Milestone</u>	<u>Timeframe</u>	<u>Approximate Cost</u>
Launch Online Canadian Sales/Initial BC Store Orders	Months 1-3	\$50,000.00
2 Major Distributors	Months 1-4	\$40,000.00

<b>Milestone</b>	<b>Timeframe</b>	<b>Approximate Cost</b>
Social Campaigns/ Online Marketing	Months 1-4	\$40,000.00
Launch US Sales	Months 3-6	\$75,000.00
Launch Canadian Distribution Facility	Months 3-6	\$100,000.00
Marketing to First Key Retail Accounts	Months 3-6	\$40,000.00
New Flavour/Product Releases	Months 6-12	\$80,000.00
Market Analysis for Foreign Market Growth	Months 10-12	\$15,000.00

See section entitled “*Available Funds*” below for costs anticipated to be incurred in connection with the completion of the foregoing milestones and general business objectives in the following 12 months.

Other than as described, directly or indirectly, in this Listing Statement, there are no other significant events or milestones that must occur for the Resulting Issuer’s business objectives to be accomplished. However, there is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above. In the event of an increase in the funds available to the Resulting Issuer, any or all of the dates set out above may be accelerated at the discretion of the Resulting Issuer.

### **Available Funds**

The following table sets out the available funds of the Resulting Issuer on a consolidated basis:

<b>Source of Funds</b>	<b>Available Funds</b>
Working capital Deficient	(\$46,329) <sup>(1)</sup>
Proceeds from the Concurrent Financing	\$3,080,000
<b>Total Funds Available</b>	<b>\$3,033,671</b>

#### Notes:

(1) As of May 31, 2021, the most recent month end prior to filing this Listing Statement. The working capital of the Resulting Issuer is the aggregate of the working capital of Fire River and Yummy Bear, which was, working capital deficiency of \$352,103 and working capital of \$305,774, respectively. The available working capital set forth above does not include the proceeds of the Concurrent Financing.

### **Principal Uses of Funds**

The funds available will be used for the purposes listed below on a consolidated basis. Expenses are expected to be treated on a consolidated basis, with allocation to the Resulting Issuer and its subsidiaries on a basis to be determined by management of the Resulting Issuer:

<b>Principal Use</b>	<b>Amount (\$)</b>
Professional fees	\$200,000
Wages, employee benefits, and consulting fees	\$500,000
Marketing	\$1,000,000
IT Expenses and Product Development	\$390,000
Management	\$400,000
General and administrative expenses <sup>(1)</sup>	\$543,671
<b>Total:</b>	<b>\$3,033,671</b>



Notes:

- (1) Includes banking, office and rent, transfer agent fees, CSE fees, supplies and packaging and other miscellaneous expenses.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. In the event of an increase in the funds available to the Resulting Issuer, those amounts allocated above may be increase in the discretion of the Resulting Issuer. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the foregoing and those referred to under "Risk Factors" below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

### **Ability to Access Public and Private Capital**

The Resulting Issuer has historically, and management of the Resulting Issuer believes it will continue to have, adequate access to equity from prospectus exempt (private placement) markets in Canada. It plans to (i) continue to access equity financing through private markets, and (ii) access equity financing through public markets in Canada, if listed on the CSE or another stock exchange. Further, the Resulting Issuer's executive team and board also have extensive relationships with sources of private capital (such as high net worth individuals), that could be investigated at a higher cost of capital. Current proceeds from the Resulting Issuer's financings will be used to finance the continued growth of the Resulting Issuer's business. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed wholly or partially with debt, which may increase the Resulting Issuer's debt levels above industry standards, or through the issuance of shares which will be dilutive to the current shareholders. There can be no assurance that additional financing, if raised privately, will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See section entitled "*Risk Factors*".

### **Principal Products and Services**

Yummy Bear is dedicated to supplying a line of low sugar plant-based candy, in which products are sold to retailers and consumers in Canada and expanding to other territories. Yummy Bear's focus is the creation of vegan, low sugar, and naturally flavored candy, in comparison to many of the major candy brands.

### **Production and Sales**

Currently, Yummy Bear has an overseas manufacturing partnership in which Yummy Bear is able to use its recipe to create gummy bears. Yummy Bear's marketing team corresponds with overseas print and packagers to create the branding and physical packaging of its products. As well, Yummy Bear's upper management corresponds directly with the food manufacture overseas to implements its recipe, which is then routinely checked by a Yummy Bear consultant to maintain quality assurance.

Yummy Bear is specifically focused on the creation of innovative candy recipes and branding, like many other large (food or alcohol) companies. Yummy Bear has contracted a manufacturer for product manufacturing, where it is then sent to a central distribution point. Yummy Bear internally handles all fulfillment to the domestic market; warehousing, distribution, and sales of the product once it has been imported. Yummy Bear actively manages and works with the manufacturer to ensure product is being produced up to its standards and is managing and dictating direction on the products, from every aspect of having products tested through a third-party food scientist and regularly sending its consultants to review the manufacturing process.

Yummy Bear has worked with a manufacturer to source the main raw materials, including pectin, stevia leaf extract, caruaba wax, non-GMO soluble corn fibre, corn starch, malic acid, coconut oil, and any other ingredients required for the recipes currently under development. Yummy Bear has secured reliable ingredient sources for these main components required. Yummy Bear has a proprietary recipe formulated which pectin base in replacement of gelatine, stevia as natural sweetener instead of sugar and a non-GMO corn fibre source as the main ingredient. Yummy Bear has exclusive rights to the procedure and manufacturing process to make the current Yummy Bear gummy bear. The

procedure in mixing and producing the product is a trade secret that has been acquired between the food scientist, manufacture and Yumy Bear.

Yumy Bear is a food-science and brand-focused company specifically focused on the development of unique candy formulas that are “Good For You”. Much of Yumy Bear’s marketing work has revolved around branding and brand awareness. Specifically, Yumy Bear has spent a significant amount of the time group testing its products and brand before launching and selecting the optimum colors and messaging that appeals to as wide of a range of consumers as possible. Further, Yumy Bear has launched a Brand Ambassador Program to increase brand awareness and aid in sales as Yumy Bear enters into additional retail stores. Finally, Yumy Bear has been focused on content creation that is delivered through a wide variety of social media channels optimized with current algorithms to gain as much consumer attraction as possible.

Yumy Bear has commenced retail sales throughout the Lower Mainland region of British Columbia, developing a brick and mortar distribution presence. Predominantly, most of Yumy Bear’s sales to date have been focused online direct-to-customer, with over \$50,000 in sales to date (since sales commenced in April of 2021).

### **Opportunities for Growth**

The Company has opportunity to grow through e-commerce platforms such as direct to consumer sales through an in-house shopify store, amazon and other e-commerce wholesalers such as i-herb, yeswellness, vitasave and vegansupply. The Company is also in communication with a number of wholesale accounts which the Company will be expand into once able to meet demand through larger order volume. Scaling into larger order volume will also reduce cost of goods, provide more margin for the Company and allow the Company to partner with large distributors to disseminate the product into a variety of retailers across Canada. With only one main competitor, being Smart Sweet and proven demand for this type of product, the Company believes there is a vast opportunity to grow within the industry. Innovation and unique formulas will set the Company a part as the only vegan plant based low sugar candy company. With continued product research and development, the product line will continue to expand with new flavours and new product formulations.

The Company currently has one (1) full time employee. In addition to its officers, the Company also has approximately eight (8) subcontract workers in the areas of product development, corporate communications, product research and development, packaging and labelling consulting, food science, food R&D specialist, food styling and photography, and social media and digital consulting.

### **Employees and Consultants**

Currently, the Company is hiring sales representatives to build out its client base and launch its products into the market. The Company has a number of food scientists tasked to create new products and an operating team to steer production. The Company’s long-term business goals include expanding into the US and international markets, creating cutting edge confectionary products and purchasing its own equipment to streamline production.

The following table shows the key areas of the Company’s operation needs, all of which are currently being satisfied through its employee and subcontractors:

<b>Name or Title</b>	<b>Key Responsibilities</b>	<b>Qualifications</b>
Co-Packer	Process, package & distribute	Co-packing experience, working with different companies & equipment knowledge
Sale Team	Obtaining new clients	Sales and office background, outgoing, good with people
Office Assistant	Administration, book-keeping, support	Office / organization skills

Operations Team	Developing & managing daily operations throughout the day	Basic knowledge in marketing and sales. Understanding the daily operations of the business and methods to improve the business
Research & Development	Researching new products to add to the product line and looking for ways to improve the existing product line	Chef or food service related. Good understanding of food textures and taste. Willing to experiment and try new combinations. Willing to learn and explore new food sources
Production & Development	Overseeing the production and development of the Company's commercial production and e-platform services	Operational, project management and manufacturing skills in a supervisory capacity in a commercial restaurant service environment

The Company believes in building a strong employee culture, which will ultimately translate into employee loyalty, retention and growth. The sales and marketing team is its primary focus as they will be promoting the products and messaging to key suppliers, distributors and consumers. The goal is to have all staff educated on all the products and have the knowledge and solid understanding of production and delivery when advising potential clients.

Employee training will be done in-house. The Company will conduct training as required to increase innovation in strategies and products, increase efficiencies in processes and to assure quality control

The Company currently has consultants in place for its R&D, chefs, food photography and styling, social media and digital video, Chief Financial Officer and sales representatives. The Company is in process of hiring a sales manager and additional sales associates, production and facilities manager. The Company is currently conducting interviews for the remaining food preparation staff.

**Market Overview**

Recently, according to Sabate, Soret, 2014, there has been a general trend towards exploring the scientific benefits of plant-based food for environmental sustainability, human health and animal welfare.<sup>1</sup> Yummy Bear is committed to producing vegan confectionery products made with plant based ingredients while providing a low sugar alternative to traditional candy. Many alternative low sugar foods contain artificial sweeteners which have been shown to negatively impact blood sugar levels and the gut biome. Furthermore, Wölnerhanssen, 2020 has stated that a wide range of chronic diseases associated with sugar consumption such as obesity, metabolic syndrome with impaired glucose intolerance, diabetes, elevated blood sugars, hypertension, cardiovascular morbidity and mortality.<sup>2</sup> There is an urgent need to reduce sugar consumption. Sugar replacements may help achieve this goal. However, artificial sweeteners seem to be associated with adverse metabolic effects such as insulin resistance, obesity, and altered gut microbiota composition. In the Company's view, the world is adapting and people are looking for sustainable and healthy alternatives to high sugar candy without sacrificing taste. The Company hopes to offer accessible, healthy, and nutrient rich plant-based alternatives and believes that shifting from non-vegan high sugar candy to plant-based low sugar candy should not lead to a sacrifice in taste.

In the Company's view, health and wellness are a trend that has been the fundamental driver of change in the food industry worldwide, and the Company not only expects this trend to continue, but also accelerate. Furthermore, according to Olayanju, 2019, consumers are always seeking simplicity in addition to better quality foods.<sup>3</sup> More and more, they want to know and understand what ingredients are going into their food products, which then explains, in

<sup>1</sup> [https://academic.oup.com/ajcn/article/100/suppl\\_1/476S/4576675](https://academic.oup.com/ajcn/article/100/suppl_1/476S/4576675) and <https://pubmed.ncbi.nlm.nih.gov/24898222/>.

<sup>2</sup> <https://pubmed.ncbi.nlm.nih.gov/31204494/>.

<sup>3</sup> <https://www.forbes.com/sites/juliabolayanju/2019/10/07/perspectives-on-the-future-of-snacking/?sh=7aa6b8e43148> and <https://www.forbes.com/sites/juliabolayanju/2019/02/16/top-trends-driving-change-in-the-food-industry/?sh=75a765f96063>.

the Company's view, why there are so many innovative products with shorter and shorter ingredient lists that you can pronounce.

According to Rowland, 2018, the Gen Z'ers and Millennials are major players in driving the plant-based food movement, by (i) demanding nutritious alternatives to animal food products and (ii) doing their due diligence on verifying ingredient lists to avoid processed and modified products.<sup>4</sup> In the Company's view, these efforts have resulted in wider social acceptance of plant-based food consumption for more and more people.

As a result, the Company believes that low sugar plant-based products are no longer just a niche market and that the plant-based food market is offering a glimpse into a different future for meat eating consumers. According to Herrick, 2011-2014, young children including infants are consuming more sugar than recommended for an average adult.<sup>5</sup> The study goes on to conclude that sugar can affect our health in multiple stages of development and too much sugar during pregnancy adversely impacts a child's cognitive ability. Too much sugar in adolescents is associated with elevated blood sugar, increased risk of obesity and decreased immunity making kids more vulnerable to diseases and infections. The Company believes that consumers are more educated and are willing to change their eating habits for the betterment of health, environment and animal welfare. Globally, according to Eswaran (Weforum.org), 2018, people are changing diets towards a preference for vegetarian, vegan and low sugar products, as people start to focus more on having a positive impact on their immediate surroundings as well as the environment.<sup>6</sup>

The plant-based low sugar candy industry is, however, relatively new and the current guidelines and regulations are still being developed on an ongoing basis. Recently several key members of Canada's emerging plant-based food industry announced the formation of Plant-Based Foods of Canada ("**PBFC**") on September 13, 2018. This industry organization is aimed at helping to support the regulatory and market interests of plant food companies in Canada which make and market vegetarian products that are similar to traditional animal products.

It is PBFC's mandate that it will work with the government and leading stakeholders to bring awareness and action to the emerging issues shaping this industry. Fostering a modernized regulatory environment that promotes innovation and growth within this market for the purpose of providing Canadian consumers with plant-based food choices that are concurrent within contemporary trends is a key focus for the PBFC.

The Plant Based Food Association reported in Forbes (Schroeder, 2019) that sales of plant-based foods grew by 20% during the 52 weeks ending June 16, 2018, reaching a total of \$3.3 billion in revenue.<sup>7</sup> With these numbers, it is difficult to argue that plant-based products are just a niche market. This industry is expanding and, according to Schroeder (Forbes media), 2018, it is estimated to reach annual revenue of \$4.63 billion in 2019 and, furthermore, to \$6.43 billion by 2023. According to <https://www.plantbasedfoodscanada.ca/> (Ewing 2020), research indicates the demand for plant-based foods will continue to increase rapidly over the next several years.<sup>8</sup> Recent Nielsen data shows that sales of plant-based foods in Canada grew by 16% for the year ending 2019, becoming an industry worth more than \$500 million in Canada.<sup>9</sup>

With this expanding market, more companies are creating their specialized versions of plant-based alternatives for high sugar, gelatin based candy. The Company believes that there is a clear demand for plant-based low sugar confectionary products for the conscious consumer, not only for the health benefits but the positive environmental impact and animal welfare.

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<sup>4</sup> <https://www.forbes.com/sites/michaelpellmanrowland/2018/06/12/save-the-planet/?sh=545852b83c81> and <https://www.forbes.com/sites/michaelpellmanrowland/2018/03/23/millennials-move-away-from-meat/?sh=7e79eb39a4a4>.

<sup>5</sup> <https://pubmed.ncbi.nlm.nih.gov/28135184/>.

<sup>6</sup> <https://www.weforum.org/agenda/2018/12/vegetarianism-is-good-for-the-economy-too/>.

<sup>7</sup> <https://www.forbes.com/sites/bernhardschroeder/2019/06/18/plant-based-food-products-started-with-milk-now-taking-on-meat-whats-next/?sh=e9a92ba21da8>.

<sup>8</sup> <https://www.plantbasedfoodscanada.ca/news/2020/11/8/plant-based-foods-are-on-the-move-in-canada>.

<sup>9</sup> <https://www.plantbasedfoods.org/marketplace/retail-sales-data-2019/>.



	For the three months ended:							
	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2018	January 31, 2018
Cash dividends declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

See also the Fire River Financial Statements attached to this Listing Statement as Schedule “A”.

### **Yummy Bear**

The following table sets out selected financial information of Yummy Bear:

*Selected financial information of Yummy Bear:*

	For the period from September 9, 2020 (date of incorporation) to January 31, 2021
Revenue	Nil
Income	Nil
Net Loss	(332,381)
Basic and Diluted Loss Per Share	(0.02)
Total Assets	2,503,123
Long-Term Debt	Nil
Dividends	Nil

See also the Yummy Bear Financial Statements attached to this Listing Statement as Schedule “C”.

### **Dividends**

Each of the Fire River Shares and Yummy Bear Shares carry the right to a dividend. Prior to the Closing of the Transaction, neither Fire River, SubCo, nor Yummy Bear have declared distributions on their respective securities and, following the completion of the Transaction, neither the Resulting Issuer or Amalco have declared distributions on the Resulting Issuer Shares or shares of Amalco, respectively.

Any future determination to pay dividends on the securities of the Resulting Issuer will be at the discretion of the Resulting Issuer Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Resulting Issuer Board determines relevant.

### **Foreign GAAP**

The financial statements included in this Listing Statement have been, and the future financial statements of the Resulting Issuer shall be, prepared in accordance with IFRS.

## **6. Management’s Discussion and Analysis**

Certain MD&A of Fire River and Yummy Bear have been attached to this Listing Statement, as follows. In each case, MD&A should be read in conjunction with the respective financial statements.

- Fire River’s MD&A for the fiscal year ended October 31, 2020 and for the three month period ended January 31, 2021, attached to this Listing Statement as Schedule “B”.
- Yummy Bear’s MD&A for the period from September 9, 2020 (the date of incorporation) to January 31, 2021 are attached to this Listing Statement as Schedule “D”, and should be read in conjunction with the Yummy Bear Financial Statements for the period from September 9, 2020 (the date of incorporation) to January 31, 2020 attached to this Listing Statement as Schedule “C”.

Other than as disclosed under “*General Development of the Business*” or elsewhere in this Listing Statement, neither the Resulting Issuer nor Amalco have entered into any other definitive agreements for the proposed acquisition or disposition of an asset or business that would be expected to have a material effect on the financial condition, results of operations and cash flows of the Resulting Issuer.

## 7. Market for Securities

The Resulting Issuer is a reporting issuer in British Columbia, Alberta and Ontario.

### Exchange Information

Prior to the completion of the Transaction, Fire River’s common shares were listed for trading on the NEX Board of the TSX Venture Exchange (the “**NEX/TSXV**”). On March, 24, 2014, Fire River’s common shares were subject to the Cease Trade Orders issued by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission. On January 20, 2015 the Cease Trade Orders were revoked by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission. On October 20, 2015, Fire River’s common shares were halted from trading on the NEX/TSXV.

Effective January 13, 2021, Fire River’s common shares resumed trading on the NEX/TSXV. As of July 31, 2020, Fire River had no mining or exploration projects.

On April 5, 2021, in connection with the announcement of the Business Combination Agreement, Fire River’s common shares were halted from trading on the NEX/TSXV.

On July 5, 2021, the Resulting Issuer’s common shares are expected to be delisted from the NEX/TSXV.

On July 6, 2021, the Resulting Issuer’s common shares are expected to commence trading on the CSE under the symbol “YUMY”.

## 8. Consolidated Capitalization

The following table summarizes the consolidated capitalization of the Resulting Issuer.

<b>Designation of Security</b>	<b>Authorized</b>	<b>Outstanding</b>
Resulting Issuer Shares	Unlimited	27,488,132 <sup>(1)</sup>
Resulting Issuer Options	N/A <sup>(2)</sup>	Nil
Resulting Issuer Warrants	Unlimited	22,380,953 <sup>(3)</sup>

### Notes:

- (1) After giving effect to the Fire River Share Consolidation and the Transactions, including the Amalgamation and the Concurrent Financing.
- (2) The Resulting Issuer has a 10% rolling plan. The authorized amount of Resulting Issuer options reflects 10% of the issued and outstanding Resulting Issuer Shares at the closing of the Transaction. The authorized amount of Resulting Issuer Options is subject to change as the number of issued and outstanding Resulting Issuer Shares varies. See a description of the Option Plan set forth below under the heading “*Options to Purchase Securities*”.
- (3) This number has been adjusted to reflect Fire River Financing Warrants on a post-Consolidation basis.

## 9. Options to Purchase Securities

The Fire River Board approved the Option Plan on May 26, 2020 and Fire River Shareholders approved the Option Plan on May 26, 2020. Following the Closing, the Option Plan is the stock option plan of the Resulting Issuer.

The Option Plan provides that options may be granted to eligible persons on terms determined within the limitations set out in the Option Plan. The maximum number of Resulting Issuer Shares to be reserved for issuance at any one time under the Option Plan is 10% of the issued and outstanding Resulting Issuer Shares. Under the terms of the Option Plan, the maximum number of common shares that may be: (i) reserved for issuance to a holder of Resulting Issuer Options within any 12 month period shall not exceed 5% of the number of common shares then outstanding unless the Resulting Issuer obtains disinterested shareholder approval; (ii) issued to a consultant during any 12 month period shall not exceed 2% of the number of Resulting Issuer Shares then outstanding; and (iii) issued to any employee engaged in investor relations activities within any 12 month period must not exceed 2% of the number of shares outstanding, unless permitted by the CSE. Subject to applicable discount market price rules, if any, of the CSE, the exercise price for a Resulting Issuer Option granted under the Option Plan may not be less than the closing price of the Resulting Issuer Shares on the CSE on the trading day immediately preceding the date of grant. Resulting Issuer Options granted may be subject to vesting requirements. Resulting Issuer Options will be granted for a period which may not exceed ten years from the date of grant but will expire within 90 days of a holder of Resulting Issuer Options ceasing to be a director, officer, employee or consultant to the Resulting Issuer in most circumstances. In the case of an employee or consultant engaged by the Resulting Issuer primarily for the purpose of providing investor relations services, any Resulting Issuer Options held by them shall expire on the thirtieth day following the day the employee or consultant ceases to be engaged in such capacity, unless he or she is still engaged as a director or employee of the Resulting Issuer or its subsidiaries in some other capacity. In cases of death, Resulting Issuer Options granted shall be exercisable by a holder of Resulting Issuer Options or by such holder's personal representative within one year of such holder's death. In certain other cases, including but not limited to, termination for cause of an employee or consultant, or upon receipt of an order from a regulatory authority removing a director, officer, employee or consultant from their position, the options granted to such person expire immediately. No rights under the Option Plan and no option awarded pursuant to the provisions of the Option Plan are assignable or transferable by any holder of Resulting Issuer Options. Subject to certain regulatory and shareholder approvals, the Resulting Issuer Board may from time to time in its sole discretion amend, modify and change certain provisions of a Resulting Issuer Option or the Option Plan. The Option Plan is subject to the rules and policies of the CSE.

The above summary of the Option Plan is qualified in entirety to the actual text of the Option Plan, a copy of which is available for review at the Resulting Issuer's profile at [www.sedar.com](http://www.sedar.com).

The following table sets out the Resulting Issuer Options:

<b>Category</b>	<b>Number of Resulting Issuer Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Executive officers of the Resulting Issuer, as a group	Nil	N/A	N/A
Directors (who are not also executive officers) of the Resulting Issuer, as a group	Nil	N/A	N/A
Other employees of the Resulting Issuer, as a group	Nil	N/A	N/A
Consultants of the Resulting Issuer, as a group	Nil	N/A	N/A
<b>Total</b>	Nil		



## 10. Description of the Securities

### General

The authorized share capital of the Resulting Issuer consists of an unlimited number of Resulting Issuer Shares.

The Resulting Issuer Shares will have the same attributes as the Fire River Shares, on a post-Consolidation basis.

The Resulting Issuer does not have any securities other than the Resulting Issuer Shares listed on the CSE. Other than has been stated elsewhere in this Listing Statement, there are no provisions as to modification, amendment or variation of any rights attached to the Resulting Issuer Shares. The rights attaching to the Resulting Issuer Shares are not limited by any other class of securities of the Resulting Issuer. Neither Fire River nor Yummy Bear have any rights to redeem or repurchase the Resulting Issuer Shares other than as set forth herein.

This summary of the rights attached to the Resulting Issuer Shares is qualified in its entirety by reference to the full provisions of the same which are to be set out in Articles of the Resulting Issuer. Reference should be made to the full provisions of the Resulting Issuer Shares contained in the Articles of the Resulting Issuer for complete details of the rights and restrictions to be attached to the Resulting Issuer Shares.

### Resulting Issuer Shares

Subject to the BCBCA, the holders of Resulting Issuer Shares are entitled to receive dividends if, as and when authorized and declared by the directors of the Resulting Issuer. In the event of liquidation, dissolution or winding up of the Resulting Issuer, whether voluntary or involuntary, or other distribution of assets or property of the Resulting Issuer amongst the Resulting Issuer Shareholders for the purpose of winding up its affairs, the Resulting Issuer Shareholders shall be entitled to receive all property and assets of the Resulting Issuer properly distributable to the Resulting Issuer Shareholders. The Resulting Issuer Shareholders shall be entitled to vote at all meetings of the Resulting Issuer and at all such meetings each such holder has, on a vote by show of hands, one vote, and, on a poll, one vote in respect of each Resulting Issuer Share held. There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

As at the date of this Listing Statement, there are: (i) 27,488,132 Resulting Issuer Shares issued and outstanding; (ii) no Resulting Issuer Options issued and outstanding; (iii) 22,380,953 Resulting Issuer Warrants issued and outstanding (adjusted to reflect Fire River Financing Warrants on a post-Consolidation basis), which includes the Concurrent Financing Warrants. See "*General Development of the Business*" and "*Consolidated Capitalization*."

### Prior Sales

The following table summarizes the issuances of securities of Fire River (on a post-Consolidation basis) in the 12 months prior to the date of this Listing Statement:

<b>Date of Issuance</b>	<b>Brief Description (if any)</b>	<b>Number of Securities<sup>(1)</sup></b>	<b>Issue/Exercise Price<sup>(1)</sup></b>
March 11, 2021	Fire River Shares issued pursuant to the Fire River Financing <sup>(2)</sup>	2,380,953	\$0.42
<b>Total:</b>		<b>2,380,953</b>	

#### Notes:

(1) On June 30, 2021, Fire River completed the Fire River Share Consolidation where the Fire River Shares were consolidated on the basis of 3 pre-consolidation Fire River Shares for one post-Consolidation Fire River Share. The number of Fire River Shares, and the issue price per Fire River Share, has been adjusted in this table to reflect the

- number and price on a post-Consolidation basis.
- (2) Fire River Shares (and, following the Closing of the Transaction, Resulting Issuer Shares) issued pursuant to the Fire River Financing are subject to a four-month hold period ending on July 12, 2021 in accordance with applicable securities laws.

The following table summarizes the issuances of securities of Yummy Bear in the 12 months prior to the date of this Listing Statement, including securities issued pursuant to the Concurrent Financing:

<b>Date of Issuance</b>	<b>Description</b>	<b>Number of Securities</b>	<b>Issue/Exercise Price</b>
September 9, 2020	Incorporator's Shares	2,000,000 Yummy Bear Shares	\$0.000001
October 29, 2020	Private Placement	20,000,000 Yummy Bear Shares	\$0.05
June 30, 2021	Concurrent Financing	2,053,328	\$1.50
<b>Total:</b>		<b>24,053,328 Yummy Bear Shares (including the Concurrent Financing)</b>	

Notes:

- (1) Yummy Bear Shares (and, following the Closing of the Transaction, Resulting Issuer Shares) issued pursuant to the Concurrent Financing are subject to a four-month hold period ending on October 31, 2021 in accordance with applicable securities laws.

**Stock Exchange Price**

No securities of Yummy Bear are listed or have ever been listed, on any stock exchange or other market.

The following table sets forth the trading prices and volumes of the Fire River Shares.

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
March 2021	0.44	0.21	419,599
February 2021	0.285	0.12	198,843
January 13, 2021 to January 31, 2021 <sup>(1)</sup>	0.20	0.09	21,587

Notes:

- (1) On January 13, 2021, Fire River's Shares resumed trading on the TSX Venture Exchange (NEX) after being suspended from trading since 2015.
- (2) On April 5, Fire River's shares were halted in connection with the announcement of the Transaction. On July 6, 2021, following completion of the Transaction, the Resulting Issuer's shares are expected to commence trading on the CSE.

**11. Escrowed Securities**

Following closing of the Transaction, certain Principals and Related Persons of the Resulting Issuer were required to deposit securities owned or controlled by them ("**Escrowed Securities**") into escrow in accordance with NP 46-201 and CSE Policies, subject to certain exceptions. Such individuals are also required to enter into an escrow agreement pursuant to NP 46-201 (the "**Escrow Agreement**") that govern the treatment of such securities while in escrow and their respective release from escrow.

**Persons Subject to Escrow**

Policy 2 of the CSE requires certain Related Persons of the Resulting Issuer that have, within the six months prior to applying to list on the CSE, completed a 'fundamental change' transaction to deposit their respective securities into escrow. The Transaction constituted a fundamental change of Fire River and, as such, all Related Persons, subject

to certain conditions, were required to deposit their securities into escrow. Related Persons include the following individuals:

1. a Related Entity of the Resulting Issuer;
2. a partner, director or officer of the Resulting Issuer or Related Entity;
3. a promoter of or person who performs Investor Relations Activities for the Resulting Issuer or Related Entity;
4. any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Resulting Issuer or Related Entity; and
5. such other person as may be designated from time to time by the CSE.

For those Related Persons whose Escrowed Securities are subject to escrow, all Resulting Issuer Shares and convertible securities of the Resulting Issuer held by such persons are subject to escrow other than certain non-transferable incentive stock options issued to principals to purchase securities solely for cash at a price equal to or greater than the share price at Closing of the Transaction. Any Resulting Issuer Shares or convertible securities acquired by the Related Person while the Resulting Issuer Shares and convertible securities were held in escrow are also subject to escrow upon acquisition or conversion, as applicable.

Set forth below are the Related Persons of the Resulting Issuer and the details of their respective escrowed securities that are held pursuant to the Escrow Agreement:

<b>Resulting Issuer Securityholder</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
Erica Williams <sup>(1)</sup>	1,000,0000 Resulting Issuer Shares	3.64%
Cassidy McCord <sup>(1)</sup>	1,000,0000 Resulting Issuer Shares	3.64%

Notes:

(1) In addition to escrow requirements pursuant to NP 46-201 and CSE Policies, each of Cassidy McCord and Erica Williams are subject to voluntary resale restrictions pursuant to the Business Combination Agreement, in accordance with which Ms. McCord and Ms. Williams are subject to escrow with a release schedule applicable to an “emerging issuer” as set forth in NP 46-201.

The following table sets forth the aggregate number of securities of the Resulting Issuer held in escrow or subject to restriction on transfer as of the date of this Listing Statement:

<b>Designation of Class</b>	<b>Number of Securities</b>	<b>Percentage of Class</b>
Resulting Issuer Shares	2,000,000	7.28%

**Release from Escrow**

Pursuant to the Escrow Agreement, it is anticipated that the following automatic timed releases will apply to the securities held in escrow or subject to restriction:

<b>Release Dates</b>	<b>Securities to be Released</b>
The Listing Date	1/10 of the escrow securities
6 months after the completion date of the Transaction	1/6 of the remaining escrow securities
12 months after the completion date of the Transaction	1/5 of the remaining escrow securities

18 months after the completion date of the Transaction	1/4 of the remaining escrow securities
24 months after the completion date of the Transaction	1/3 of the remaining escrow securities
30 months after the completion date of the Transaction	1/2 of the remaining escrow securities
36 months after the completion date of the Transaction	The remaining escrow securities

The Resulting Issuer is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Resulting Issuer achieves “established issuer” status during the term of the Escrow Agreement, it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Resulting Issuer had originally been classified as an “established issuer”.

### ***Other Restrictions***

Fire River Shares (and, following the Closing of the Transaction, Resulting Issuer Shares) issued pursuant to the Fire River Financing are subject to a four-month hold period ending on July 12, 2021 in accordance with applicable securities laws.

Yumy Bear Shares (and, following the Closing of the Transaction, Resulting Issuer Shares) issued pursuant to the Concurrent Financing are subject to a four-month hold period ending on October 31, 2021 in accordance with applicable securities laws.

## **12. Principal Shareholders**

As of the date of this Listing Statement, to the knowledge of the directors and senior officers of the Resulting Issuer, no person beneficially owns, directly or indirectly, or exercises control or direction over, directly or indirectly, voting securities carrying ten (10%) percent or more of the voting rights attached to any class of voting securities of the Resulting Issuer.

## **13. Directors and Officers**

### **Directors and Officers**

Following the completion of the Transaction, the board of directors and executive officers of the Resulting Issuer will initially be comprised of the following four persons: Erica Williams (Director and Chief Executive Officer), Sue He (Director and Chief Financial Officer), Cassidy McCord (Director) and Rachel King (Director).

The following table sets forth certain information regarding the individuals who will serve as directors and executive officers of the Resulting Issuer, including their place of residence, age, status as independent or non-independent, each director’s principal occupation, business or employment for the past five years and the number of Resulting Issuer Shares that will be beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction, following the completion of the Transaction.

<b>Name, Position and Residency</b>	<b>Principal Occupation or Employment During the Past 5 Years<sup>(1)</sup></b>	<b>Date appointed Director or Officer of the Resulting Issuer</b>	<b>Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transaction<sup>(2)</sup></b>
Erica Williams <i>British Columbia</i> Chief Executive Officer and a Director	Realtor, Certified Health and Wellness Coach	June 30, 2021	1,000,000 (3.64%)
Sue He <sup>(3)</sup> <i>British Columbia</i> Chief Financial Officer and a Director	Chartered Professional Accountant	June 30, 2021	0 (0%)
Cassidy McCord <sup>(3)(4)</sup> <i>British Columbia</i> Director	Businesswoman	June 30, 2021	1,000,000 (3.64%)
Rachel King <sup>(3)(4)</sup> <i>British Columbia</i> Director	Marketing Professional, and Photographer	June 30, 2021	0 (0%)

**Notes:**

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective individuals.
- (2) Following completion of the Transaction.
- (3) Member of the Audit Committee.
- (4) Independent directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

**Director Term of Office**

The directors of the Resulting Issuer will hold office until the next annual general meeting of Resulting Issuer Shareholders or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or within the provisions of the BCBCA.

**Securities Owned by Directors and Officers**

Following completion of the Transaction, the directors and officers of the Resulting Issuer, as a group, beneficially own directly or indirectly, or exercise control or discretion over, 2,000,000 Resulting Issuer Shares, representing 7.28% of the Resulting Issuer Shares on a non-diluted basis.

**Committee Composition**

The Resulting Issuer has one committee: the Audit Committee.

**The Audit Committee's Charter**

The text of the Audit Committee's charter is set out on Schedule "F" attached to this Listing Statement.

### ***Composition of the Audit Committee***

The members of the Audit Committee are Sue He, Cassidy McCord and Rachel King.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Resulting Issuer. A material relationship means a relationship which could, in the view of the Resulting Issuer Board, reasonably interfere with the exercise of a member's independent judgment. Rachel King and Cassidy McCord are considered independent. Sue He, by virtue of her position as Chief Financial Officer, is not considered independent.

A member of the Audit Committee is considered financially literate (as described in section 1.6 of NI 52-110) if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer. All members of the Audit Committee are considered financially literate.

### ***Relevant Education and Experience of Audit Committee members***

Ms. He has vast expertise in financial reporting services for both public and private companies. She has extensive experience in public company environments and full-cycle accounting as well as providing accounting services for business acquisitions and reverse takeovers. Ms. He earned her bachelor of business administration degree from Kwantlen Polytechnic University, concentrating in both accounting and finance, and holds the professional designation of chartered professional accountant (CPA).

Ms. McCord is a business woman who has amassed a multitude of operational and capital markets experience. She most recently managed and led operations for several private entities. Her specialties include HR, sales and business development. Ms. McCord has seen proven success in gaining sales for both B2B and B2C revenue streams.

Ms. King has extensive knowledge revolving around design, photography, and marketing. After graduating with a bachelor's degree in architecture/Environments and a Master of Construction Management from the University of Melbourne, including courses from the University of British Columbia, she started her career in the building industry undertaking project management roles gaining experience with exclusive, architectural residential projects in Australia and Canada. A combination of design, software and technical skills led her to transition into media and marketing roles for ski resorts in Canada and New Zealand, playing a vital role in brand awareness, communications and marketing mountain programs and initiatives to regional and international markets.

### ***Reliance on Certain Exemptions***

Except as disclosed herein, at no time since the commencement of Fire River's most recently completed financial year has Fire River relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### ***Audit Committee Oversight***

At no time since the commencement of Fire River's most recently completed financial year has the audit committee made any recommendations to the Fire River Board or the Resulting Issuer Board to nominate or compensate its auditor which were not adopted by the Fire River Board or the Resulting Issuer Board.

### ***Pre-Approval Policies and Procedures***

All services to be performed by the independent auditor of the Resulting Issuer must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these

services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

**External Auditor Service Fees (By Category)**

The aggregate fees billed by Fire Rivers’s external auditors in each of the last two fiscal years for audit fees are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees<sup>(1)</sup></u>	<u>Audit-Related Fees<sup>(2)</sup></u>	<u>Tax Fees<sup>(3)</sup></u>	<u>All Other Fees<sup>(4)</sup></u>
2020	\$10,122.00	Nil	Nil	Nil
2019	\$10,628.10	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of Fire River’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

**Exemption**

The Resulting Issuer is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument.

**Director and Officer Occupations**

See the table in Section 13 – “*Directors and Officers*” for a description of the directors’ and officers’ occupations.

**Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed below, no director, officer, promoter or other member of management of the Resulting Issuer is, or within the ten years prior to the date of this Listing Statement has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or had a receiver manager or trustee appointed to hold the assets of that director, officer or promoter:

- On March 7, 2014, Fire River received a Cease Trade Order from the TSX Venture Exchange but was revoked on January 13, 2015. On March 24, 2014, Fire River received a Cease and Trade Order from the Ontario Securities Commission but was revoked on January 20, 2015. On June 30, 2014, Fire River received a Cease Trade Order from the Alberta Securities Commission but was revoked on January 16, 2015.

## **Penalties and Sanctions**

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of the Resulting Issuer has, during the ten years prior to the date of this Listing Statement, been subject to any penalties or sanctions imposed by or entered into any settlement agreement with, any court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft, or any other matter that would likely be considered important to a reasonable investor making an investment decision.

## **Personal Bankruptcies**

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of the Resulting Issuer has, during the ten years prior to the date of this Listing Statement, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

## **Conflicts of Interest**

The directors of the Resulting Issuer are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Resulting Issuer will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

Except as disclosed in this Listing Statement, to the best of the Resulting Issuer's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

## **Management**

The following sets out details of the directors and management of the Resulting Issuer:

### ***Erica Williams, 26, CEO and Director***

Erica Williams is a certified health and wellness coach with over 12 years experience in the health industry. Ms. Williams studied Kinesiology at the University of Fraser Valley while working in the health and fitness industry as a certified health and wellness coach helping hundreds of clients find a healthy lifestyle balance and achieve their fitness goals. Ms. Williams also spent years in sales and marketing for one of Canada's largest sports nutrition companies which provided her with an insider perspective of the latest health and wellness trends.

Erica Williams is not a member of the Audit Committee. Ms. Williams will devote approximately 90% of her time to the affairs of the Resulting Issuer. Ms. Williams has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

### ***Sue He, 32, CFO and Director***

Sue He is a Chartered Professional Accountant with over eight (8) years of accounting experience. Ms. He received a degree in Business Administration from Kwantlen Polytechnic University. She was an accountant of numerous public companies focused on mining. During her time at as an accountant, she accumulated an extensive experience



in public company environments and full-cycle accounting as well as providing accounting services for business acquisitions and reverse takeovers.

Sue He is a member of the Audit Committee. Ms. He will devote approximately 35% of her time to the affairs of the Resulting Issuer. Ms. He has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

***Cassidy McCord, 23, Director***

Cassidy McCord is a businesswoman with over four (4) years of business experience. Ms. McCord attended Vancouver Island University and received a Business Administration diploma. Ms. McCord was an operations manager and managed several public entities. Ms. McCord's specialties include HR, sales and business development. Ms. McCord has seen proven success in gaining sales for both B2B and B2C revenue streams.

Cassidy McCord is a member of the Audit Committee. Ms. McCord will devote approximately 40% of her time to the affairs of the Resulting Issuer. Ms. McCord has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

***Rachel King, 29, Director***

Rachel King is a Marketing Professional with over 11 years of marketing and design experience. Ms. King received a bachelor's degree in architecture/environments and a master's degree in construction management from the University of Melbourne, as well as extended studies in the University of British Columbia. Ms. King was a project manager and media coordinator in several ski resorts throughout Canada and New Zealand, focused on marketing campaigns and project activities. Ms. King started her career in the building industry undertaking project management roles gaining experience with exclusive, architectural residential projects in Australia and Canada. A combination of design, software and technical skills led her to transition into media and marketing roles in for ski resorts in Canada and New Zealand, playing a vital role in brand awareness, communications and marketing mountain programs and initiatives to regional and international markets.

Rachel King is a member of the Audit Committee. Ms. King will devote approximately 35% of her time to the affairs of the Resulting Issuer. Ms. King has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

**14. Capitalization**

The following tables set forth the Resulting Issuer's capitalization following the Transaction.

***Issued Capital***

	<u>Number of Securities (non-diluted)</u>	<u>Number of Securities (fully-diluted)</u>	<u>% of Issued (non-diluted)</u>	<u>% of Issued (fully-diluted)</u>
<u>Public Float</u>				
Total Outstanding (A)	27,488,132 <sup>(1)</sup>	49,869,085 <sup>(1)</sup>	100%	100%
Held by Related Persons or employees of the Resulting Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held) (B)	21,959,333 <sup>(2)</sup>	41,896,000 <sup>(2)</sup>	79.89%	84.01%
<b>Total Public Float (A-B)</b>	<b>5,528,799</b>	<b>7,973,085</b>	<b>20.11%</b>	<b>15.99%</b>

	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully-diluted)</b>
<b>Freely-Tradable Float</b>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	6,434,281 <sup>(3)</sup>	8,815,234 <sup>(4)</sup>	23.41%	17.68%
<b>Total Tradable Float (A-C)</b>	<b>21,053,851</b>	<b>41,053,851</b>	<b>76.59%</b>	<b>82.32%</b>

**Notes:**

- (1) These figures include the 2,053,328 Resulting Issuer Shares issued pursuant to the Concurrent Financing.
- (2) 19,959,333 Resulting Issuer Shares on a non-diluted basis, and 39,896,000 Resulting Issuer Shares on a fully-diluted basis, are (in aggregate) held by ten (10) securityholders of the Resulting Issuer who (i) are not Related Persons or employees of the Resulting Issuer; and (ii) are persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held). None of these ten securityholders is a "principal securityholder", as that term is defined in NI 41-101. An additional 2,000,000 Resulting Issuer Shares, on both a non-diluted and a fully-diluted basis, are (in aggregate) held by Cassidy McCord and Erica Williams, who are both Related Persons of the Resulting Issuer. See "Escrowed Securities" and "Directors and Officers" for additional details regarding Ms. McCord's and Ms. Williams' securities.
- (3) This figure includes: (i) 2,000,000 Resulting Issuer Shares held by two Related Persons of the Resulting Issuer, Cassidy McCord and Erica Williams, in escrow; (ii) 2,380,953 Resulting Issuer Shares issued pursuant to the Fire River Financing that are subject to a four-month hold period; and (iii) 2,053,328 Resulting Issuer Shares issued pursuant to the Concurrent Financing that are subject to a four-month hold period. See "Escrowed Securities" for additional details.
- (4) This figure includes: (i) 2,000,000 Resulting Issuer Shares held by two Related Persons of the Resulting Issuer, Cassidy McCord and Erica Williams, in escrow; (ii) 4,761,906 Resulting Issuer Shares issued pursuant to the Fire River Financing that are subject to a four-month hold period; and (iii) 2,053,328 Resulting Issuer Shares issued pursuant to the Concurrent Financing that are subject to a four-month hold period. See "Escrowed Securities" for additional details.

**Public Securityholders (Registered)**

<b>Resulting Issuer Shares Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities<sup>(1)</sup></b>
1 – 99 Securities	23	853
100 – 499 Securities	6	1,362
500 – 999 Securities	3	2,019
1,000 – 1,999 Securities	1	1,245
2,000 – 2,999 Securities	3	7,545
3,000 – 3,999 Securities	1	3,745
4,000 – 4,999 Securities	2	8,927
5,000 or more Securities	16	2,565,862
<b>TOTAL:</b>	<b>55</b>	<b>2,591,558</b>

**Notes:**

- (1) These figures do not include the 2,053,328 Resulting Issuer Shares issued pursuant to the Concurrent Financing.

**Public Securityholders (Beneficial)**

<b>Resulting Issuer Shares Size of Holding <sup>(1)</sup></b>	<b>Number of Holders</b>	<b>Total Number of Securities<sup>(1)</sup></b>
0.1 – 166.6 Securities	1,916	58,637.7
166.7 – 499.9 Securities	208	55,882.3
500.0 – 999.9 Securities	55	35,798.3
1,000 – 1,999.9 Securities	43	56,956.0
2,000.0 – 3,166.6 Securities	10	24,290.7
3,166.7 – 3,333.2 Securities	1	3,166.7
3,333.3 or more Securities	35	598,588.7
Unable to confirm	-	73,262.7
<b>TOTAL:</b>	<b>2,268 or more Holders</b>	<b>906,583</b>

**Notes:**

- (1) These figures are derived from share range reports for Fire River dated April 19, 2021 with a record date of April 14, 2021. These figures do not include those registered shareholders listed in the table titled "Public Securityholders (Registered)" above. These figures are shown on a post-Consolidation basis.

**Non-Public Securityholders (Registered)**

<b>Resulting Issuer Shares Size of Holding</b>	<b>Number of Holders<sup>(1)</sup></b>	<b>Total Number of Securities<sup>(1)</sup></b>
1 – 99 Securities	0	0
100 – 499 Securities	0	0
500 – 999 Securities	0	0
1,000 – 1,999 Securities	0	0
2,000 – 2,999 Securities	0	0
3,000 – 3,999 Securities	0	0
4,000 – 4,999 Securities	0	0
5,000 or more Securities	12	21,936,667
<b>TOTAL:</b>	<b>12</b>	<b>21,936,667</b>

**Notes:**

- (1) These figures reflect Resulting Issuer Shareholders enumerated in Section B, above. These figures do not include the 2,053,328 Resulting Issuer Shares issued pursuant to the Concurrent Financing.

**Securities Convertible or Exchangeable into Resulting Issuer Shares**

<b>Description of Security (include conversion/exercise terms, including conversion/exercise price)<sup>(1)</sup></b>	<b>Number of convertible/exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion/exercise</b>
<b>Fire River</b> Former Fire River Financing Warrants exercisable at \$0.555 until March 10, 2022 <sup>(2)</sup>	2,380,953 Resulting Issuer Warrants <sup>(2)</sup>	2,380,953 Resulting Issuer Shares
<b>Yummy Bear</b> Former Yummy Bear Warrants Exercisable at \$0.05 until October 22, 2022	20,000,000 Resulting Issuer Warrants	20,000,000 Resulting Issuer Shares
<b>TOTAL:</b>	<b>22,380,953 Resulting Issuer Warrants</b>	<b>22,380,953 Resulting Issuer Shares</b>

**Note:**

- (1) See “Consolidated Capitalization” and “General Development of the Business – Business Combination between Fire River and Yummy Bear” for additional details.
- (2) On June 30, 2021, Fire River completed the Fire River Share Consolidation where the Fire River Shares were consolidated on the basis of three pre-consolidation Fire River Shares for one post-Consolidation Fire River Share. The number of Fire River Financing Warrants, and the exercise price per Fire River Financing Warrant, has been adjusted in this table to reflect the number and exercise price on a post-Consolidation basis.

There are no additional securities reserved for issuance that are not included in this section 14.

**15. Executive Compensation**

The following information of the Resulting Issuer is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

“**Compensation Securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Resulting Issuer or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Resulting Issuer or any of its subsidiaries;

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, during any part of the Resulting Issuer’s financial year ended October 31, 2020, served as the chief executive officer of the Resulting Issuer, including an individual performing functions similar to a chief executive officer;

- (b) each individual who, during any part of the Resulting Issuer's financial year ended October 31, 2020, served as chief financial officer of the Resulting Issuer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Resulting Issuer and its subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended October 31, 2020 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended October 31, 2020; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Resulting Issuer, and was not acting in a similar capacity, as at October 31, 2020.

Based on the foregoing definition, the Resulting Issuer had two (2) Named Executive Officers during the financial year ended October 31, 2020: Tara Haddad (Former Interim Chief Executive Officer and Chief Financial Officer) and Anthony Jackson (Former Chief Executive Officer and Chief Financial Officer).

Following Closing of the Transaction, the Resulting Issuer will have two NEOs following the completion of the Transaction: Erica Williams as Chief Executive Officer, and Sue He as Chief Financial Officer. The aggregate compensation to be paid to the NEOs, and to any other officers and directors that may be engaged by the Resulting Issuer following the Closing of the Transaction, will be determined and approved by the Resulting Issuer Board.

#### Director and Named Executive Officer Compensation

##### *Director and Named Executive Officer Compensation, Excluding Compensation Securities*

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Resulting Issuer's Named Executive Officers and directors for each of the Resulting Issuer's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year Ended	Salary consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Anthony Jackson Former CEO and Former Director	2020	77,700.00	--	--	--	--	77,700.00
	2019	63,000.00	--	--	--	--	63,000.00
Tara Haddad Former CFO and Former Director	2020	Nil	--	--	--	--	Nil
	2019	Nil	--	--	--	--	Nil
Quinn Field-Dyte Director	2020	Nil	--	--	--	--	Nil
	2019	Nil	--	--	--	--	Nil

### **Stock Options and Other Compensation Securities**

The Resulting Issuer has not granted or issued any compensation securities to any NEOs or directors during the most recently completed financial year ended October 31, 2020.

### **Exercise of Compensation Securities by Directors and NEOs**

No NEOs or directors of the Resulting Issuer have exercised any compensation securities during the most recently completed financial year ended October 31, 2020.

### **Employment, Consulting and Management Agreements**

There are no severance payment triggering events that would give rise to a severance payment that would be payable to any of the NEOs had it occurred during the most recently completed financial year ended October 31, 2020.

### ***Compensation, Philosophy and Objectives***

The Resulting Issuer does not have a formal compensation program. The Resulting Issuer Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Resulting Issuer's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other companies in similar industries to enable the Resulting Issuer to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Resulting Issuer is under by virtue of the fact that it has not had a significant history of earnings.

The Resulting Issuer Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Resulting Issuer Board relies on the experience of its members as officers and directors with other companies in assessing compensation levels.

### **Analysis of Elements**

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his or her, as applicable, responsibilities to the best of his or her, as applicable, ability and in the best interests of the Resulting Issuer.

The Resulting Issuer considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Resulting Issuer to reward each NEO's efforts to increase value for shareholders without requiring the Resulting Issuer to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Resulting Issuer's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Resulting Issuer's Option Plan.

### **Description of Option Plan**

For a description of the Option Plan, see "*Options to Purchase Securities*" of this Listing Statement above which is qualified in entirety to the actual text of the Option Plan, which is available for review as an attachment to the management information circular dated November 16, 2016 and available under Resulting Issuer's profile at [www.sedar.com](http://www.sedar.com).

The following table sets out equity compensation plan information as at the year ended October 31, 2020:

	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	316,156
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>TOTAL:</b>	Nil	N/A	316,156

## 16. Indebtedness of Directors and Executive Officers

### Indebtedness of Directors and Executive Officers of Fire River Gold

Following the completion of the Transaction, none of the directors or executive officers of the Resulting Issuer, nor any of their Associates, will be indebted to the Resulting Issuer, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

## 17. Risk Factors

Prior to making any investment decision regarding the Resulting Issuer, investors should carefully consider, among other things, the risk factors set forth below. While this Listing Statement has described the risks and uncertainties that management of the Resulting Issuer believe to be material to the Resulting Issuer's business, it is possible that other risks and uncertainties affecting the Resulting Issuer's business will arise or become material in the future.

If the Resulting Issuer is unable to address these and other potential risks and uncertainties, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Resulting Issuer Shares could decline and an investor could lose all or part of their investment.

The occurrence of any of the following risks could harm the Resulting Issuer's business, results of operations, financial condition and/or growth prospects or cause the Resulting Issuer's actual results to differ materially from those contained in forward-looking statements it has made in this Listing Statement. The risks and uncertainties described in this Listing Statement are not the only ones the Resulting Issuer may face. Additional risks and uncertainties that the Resulting Issuer is unaware of, or that the Resulting Issuer currently deems not to be material, may also become important factors that affect the Resulting Issuer. If any such risks actually occur, the Resulting Issuer's business, financial condition or results of operations could be materially adversely affected.

### ***There is no assurance that the Resulting Issuer will turn a profit or generate immediate revenues***

There can be no assurance that the Resulting Issuer will be profitable, earn revenues, or pay dividends. The Resulting Issuer has incurred and anticipates that it will continue to incur substantial expenses relating to the operations and further development of its business.

The payment and amount of any future dividends will depend on, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that

future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

***There are factors which may prevent the Resulting Issuer from the realization of growth targets***

The Resulting Issuer is currently expanding. The Resulting Issuer's growth strategy contemplates developing additional products. There is a risk that the development of these products will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- non-performance by third party contractors;
- increases in materials or labour costs;
- falling below expected levels of output or efficiency;
- inability to engage with food professionals;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers; and
- disruptions in the supply of energy and utilities.

***The Resulting Issuer's actual financial position and results of operations may differ materially from the expectations of the Resulting Issuer's management***

The Resulting Issuer's actual financial position and results of operations may differ materially from management's expectations. As a result, the Resulting Issuer's revenue, net income and cash flow may differ materially from the Resulting Issuer's projected revenue, net income and cash flow. The process for estimating the Resulting Issuer's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Resulting Issuer's financial condition or results of operations.

***The Resulting Issuer is a development stage company with little operating history and the Resulting Issuer cannot assure profitability***

The Resulting Issuer's lack of operating history makes it difficult for investors to evaluate the Resulting Issuer's prospects for success. Prospective investors should consider the risks and difficulties the Resulting Issuer might encounter, since there is no assurance that it will be successful. Any likelihood of success must be considered in light of the Resulting Issuer's relative early stage of operations.

It is extremely difficult to make accurate predictions and forecasts of the Resulting Issuer's finances. This is compounded by the fact that the Resulting Issuer intends to operate in the food industry, which is highly competitive. There is no guarantee that the Resulting Issuer's products will be attractive to potential consumers.

***Speculative nature of investment***

An investment in the Resulting Issuer's Shares carries a high degree of risk, should be considered as a speculative investment by purchasers, and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investments and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should carefully evaluate the risk factors set out in this section associated with an investment in the Resulting Issuer's securities prior to purchasing any of the Shares.

***Limited or no operating history***

The Resulting Issuer has limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. Operations are not yet sufficiently established such that the Resulting Issuer can mitigate the risks associated with planned activities.

The Resulting Issuer also has a limited history of operations in the food industry. The Resulting Issuer is therefore subject to many of the risks common to entering a new area of operation, including under-capitalization, limitations with respect to personnel, financial, and other resources, lack of revenues, and uncertainty with respect to its ability to attract and retain paying customers. There is no assurance that the Resulting Issuer will be successful in operating its business, generate revenue, successfully implement its plans or achieve a return on its investment and the likelihood of success must be considered in light of the Resulting Issuer's lack of experience in the food industry and the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

***Going concern risk***

The Resulting Issuer is in the development stage and is currently seeking additional capital, mergers, acquisitions, joint ventures, partnerships and other business arrangements to expand its product offerings in the ancillary food product market and grow its revenue. The Resulting Issuer's ability to continue as a going concern is dependent upon its ability to grow its revenue and achieve profitable operations while also obtaining the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Resulting Issuer; however, there can be no certainty that such funds will be available at terms acceptable to the Resulting Issuer. The risks referred to herein indicate the existence of material uncertainties that may cast significant doubt on the Resulting Issuer's ability to continue as a going concern.

The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt or other financing and the achievement of profitable operations. There can be no assurances that the Resulting Issuer will be successful in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

***Negative operating cash flow***

The Resulting Issuer has negative operating cash flow. The failure of the Resulting Issuer to achieve profitability and positive operating cash flows could have a material adverse effect on the Resulting Issuer's financial conditions and results of operations. To the extent that the Resulting Issuer has a negative cash flow in future periods, the Resulting Issuer may need to deploy a portion of its cash reserves to fund such negative cash flow. The Resulting Issuer expects to continue to sustain operating losses in the future until it generates revenue from its products. There is no guarantee that the Resulting Issuer will ever be profitable.

***Dependency on customers***

The Resulting Issuer's success depends on its ability to acquire and retain customers and to do so in a cost-effective manner. The Resulting Issuer must acquire customers in order to increase net sales, improve margins, and achieve profitability. The Resulting Issuer will make significant investments related to customer acquisition. The Resulting Issuer cannot assure you that the net sales from the customers it acquires will ultimately exceed the cost of acquiring those customers. If the Resulting Issuer fails to deliver quality products, or if consumers do not perceive the products it offers to be of high value and quality, the Resulting Issuer may be unable to acquire or retain customers. If the Resulting Issuer is unable to acquire or retain customers who purchase products in volumes sufficient to grow its business, the Resulting Issuer may be unable to generate the scale necessary to achieve operational efficiency and drive beneficial network effects with its suppliers. Consequently, the Resulting Issuer's prices may increase, or may not decrease to levels sufficient to generate customer interest, the Resulting Issuer's net sales may decrease, and its margins and profitability may decline or not improve. As a result, the Resulting Issuer's business, financial condition, and results of operations may be materially and adversely affected.



### ***Global pandemic***

As a result of the global outbreak of COVID-19 and its declaration by the World Health Organization to be a “pandemic”, certain actions are being taken by governments and businesses around the world to control the outbreak, including restrictions on public activities, travel and commercial operations. As such, the Resulting Issuer’s ability to produce and supply products and its sales revenue, results of operations, cashflow and liquidity has been and may continue to be adversely impacted.

The COVID-19 pandemic, the measures attempting to contain and mitigate the effects of the virus, including travel bans and restrictions, quarantines, shelter-in-place orders, shutdowns and restrictions on trade, and the resulting changes in customer and consumer behaviours have disrupted and will continue to disrupt the Resulting Issuer’s normal operations and impact employees, suppliers, partners, and customers and their buyers.

The degree to which COVID-19 will affect the Resulting Issuer’s results and operations will depend on future developments that are highly uncertain and cannot currently be predicted, including, but not limited to, the duration, extent and severity of the COVID-19 pandemic, actions taken to contain the COVID-19 pandemic, the impact of the COVID-19 pandemic and related restrictions on economic activity and domestic and international trade, and the extent of the impact of these and other factors on the Resulting Issuer’s employees, partners, suppliers, customers and their buyers. The COVID-19 pandemic and related restrictions could limit customers’ ability to continue to operate, lead to disruption in the Resulting Issuer’s supply chain, disrupt or delay the ability of employees to work because they become sick or are required to care for those who become sick, cause delays or disruptions in services provided by key suppliers and vendors, increase vulnerability of the Resulting Issuer and its partners and service providers to security breaches, denial of service attacks or other hacking or phishing attacks, or cause other unpredictable events.

COVID-19 has also caused heightened uncertainty in the global economy. If economic growth slows further or if a recession develops or continues to develop, consumers may not have the financial means to make purchases from customers, or potential customers, of the Resulting Issuer and may delay or reduce discretionary purchases, negatively impacting customers and the Resulting Issuer’s operations. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in the Resulting Issuer’s results of operations until future periods. Further, volatility in the capital markets has been heightened during recent months and such volatility may continue, which may cause declines in the price of the Shares, increasing the risk that securities class action litigation could be instituted against the Resulting Issuer.

### ***Litigation***

The Resulting Issuer may become subject to various legal proceedings and claims that arise from time to time in the ordinary course of the Resulting Issuer’s business. Such litigation may arise as a consequence of contractual or other disputes or as a consequence of the Resulting Issuer’s listing and reporting issuer status and could adversely affect its business and operations. Litigation or legal proceedings could expose the Resulting Issuer to significant liabilities and have a negative impact on the Resulting Issuer’s reputation or business. Should any litigation in which the Resulting Issuer becomes involved be determined against it such a decision could adversely affect its ability to continue operating and the market price for the Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer’s brand.

The Resulting Issuer evaluates these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, the Resulting Issuer may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from the Resulting Issuer’s assessments and estimates.

### ***Legal claims, government investigations and regulatory enforcement***

The Resulting Issuer operates in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, the Resulting Issuer is subject to heightened risk of legal claims, government investigations or other regulatory enforcement actions. The Resulting Issuer's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of food products, health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects business, financial condition and results of operations of the Resulting Issuer. Although the Resulting Issuer has implemented policies and procedures designed to ensure compliance with existing laws and regulations, there can be no assurance that its employees, temporary workers, contractors or agents will not violate its policies and procedures. Moreover, a failure to maintain effective control processes could lead to violations, unintentional or otherwise, of laws and regulations.

Legal claims, government investigations or regulatory enforcement actions arising out of the Resulting Issuer's failure or alleged failure to comply with applicable laws and regulations could subject it to civil and criminal penalties that could materially and adversely affect the Resulting Issuer's product sales, reputation, financial condition and operating results. In addition, the costs and other effects of defending potential and pending litigation and administrative actions against the Resulting Issuer may be difficult to determine and could adversely affect the Resulting Issuer's financial condition and operating results.

### ***Regulatory risks***

The Resulting Issuer seeks to comply with applicable regulations through a combination of employing internal experience and expert personnel to ensure quality-assurance compliance (i.e., assuring that the Resulting Issuer's products are not adulterated or misbranded) and ensuring compliance with nutrition labeling requirements. Failure by the Resulting Issuer or its co-manufacturers to comply with applicable laws and regulations or maintain permits, licenses or registrations relating to the Resulting Issuer's or its co-manufacturers' operations could subject the Resulting Issuer to civil remedies or penalties, including fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or manufacturing of products, or refusals to permit the import or export of products, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material effect on the Resulting Issuer's operating results and business.

Changes in existing laws or regulations, or the adoption of new laws or regulations may increase the Resulting Issuer's costs and otherwise adversely affect the Resulting Issuer's business, results of operations and financial condition.

The manufacture and marketing of food products is highly regulated. The Resulting Issuer and its suppliers and co-manufacturers are subject to a variety of laws and regulations. These laws and regulations apply to many aspects of the Resulting Issuer's business, including the manufacture, packaging, labeling, distribution, advertising, sale, quality and safety of its products, as well as the health and safety of its employees and the protection of the environment.

The regulatory environment in which the Resulting Issuer operates could change significantly and adversely in the future. Any change in manufacturing, labeling or packaging requirements for the Resulting Issuer's products may lead to an increase in costs or interruptions in production, either of which could adversely affect its operations and financial condition. New or revised government laws and regulations could result in additional compliance costs and, in the event of non-compliance, civil remedies, including fines, injunctions, withdrawals, recalls or seizures and confiscations, as well as potential criminal sanctions, any of which may adversely affect the Resulting Issuer's business, results of operations and financial condition.

### ***Permits and governmental regulations***

The future operations of the Resulting Issuer may require permits from various federal, provincial, and local governmental authorities and will be governed by laws and regulations governing food safety, taxes, labour standards, occupational health and other matters. There can be no guarantee that the Resulting Issuer will be able

to obtain all necessary permits and approvals that may be required to for commercial production of its products and operation of its facilities.

### ***Supply and demand risk***

If the Resulting Issuer fails to effectively launch or develop its products, expand its manufacturing and production capacity, its business and operating results and its brand reputation could be harmed. If the Resulting Issuer does not have sufficient capacity to meet customers' demands and to satisfy increased demand, it will need to expand operations, supply and manufacturing capabilities. However, there is risk in the Resulting Issuer's ability to effectively scale production processes and effectively manage supply chain requirements. The Resulting Issuer must accurately forecast demand for products in order to ensure it has adequate available manufacturing capacity. The Resulting Issuer's forecasts are based on multiple assumptions which may cause estimates to be inaccurate and affect its ability to obtain adequate manufacturing capacity (whether the Resulting Issuer's own manufacturing capacity or co-manufacturing capacity) in order to meet the demand for products, which could prevent it from meeting increased customer demand and harm the Resulting Issuer's brand and its business and in some cases may result in fines the Resulting Issuer must pay customers or distributors if it is unable to fulfill orders placed by them in a timely manner or at all.

However, if the Resulting Issuer overestimates its demand and overbuilds capacity, it may have significantly underutilized assets and may experience reduced margins. If the Resulting Issuer does not accurately align its manufacturing capabilities with demand, if it experience disruptions or delays in its supply chain, or if it cannot obtain raw materials of sufficient quantity and quality at reasonable prices and in a timely manner, its business, financial condition and results of operations may be materially adversely affected.

### ***Reliance on third-party suppliers***

Because the Resulting Issuer relies on a limited number of third-party suppliers, it may not be able to obtain raw materials on a timely basis or in sufficient quantities to produce its products or meet the demand for its products. The Resulting Issuer's financial performance depends in large part on its ability to arrange for the purchase of raw materials in sufficient quantities at competitive prices. The Resulting Issuer is not assured of continued supply or pricing of raw materials. Any of the Resulting Issuer's suppliers could discontinue or seek to alter their relationship with the Resulting Issuer.

Any disruption in the supply of raw materials from these suppliers would have a material adverse effect on the Resulting Issuer's business if it cannot replace these suppliers in a timely manner or at all.

Events that adversely affect the Resulting Issuer's suppliers of raw materials could impair its ability to obtain raw material inventory in the quantities that it desires. Such events include problems with the Resulting Issuer's suppliers' businesses, finances, labor relations, ability to import raw materials, costs, production, insurance and reputation, as well as natural disasters, fires or other catastrophic occurrences. The Resulting Issuer continuously seeks alternative sources of raw materials to use in its products, but it may not be successful in diversifying the raw materials it uses in its products.

If the Resulting Issuer needs to replace an existing supplier, there can be no assurance that supplies of raw materials will be available when required on acceptable terms, or at all, or that a new supplier would allocate sufficient capacity to the Resulting Issuer in order to meet its requirements, fill its orders in a timely manner or meet its strict quality standards. If the Resulting Issuer is unable to manage its supply chain effectively and ensure that its products are available to meet consumer demand, its operating costs could increase and its profit margins could decrease. This could also have a significant impact on the Resulting Issuer's capacity to complete certain of its current or projected research and development projects and, accordingly, would negatively affect its projected commercial and financial growth. Any significant increase in the price of raw materials that cannot be passed on to the customers could have a material adverse effect on the Resulting Issuer's results of operations or financial condition.

### ***Third-party supplier compliance***

Failure by the Resulting Issuer's suppliers of raw materials or co-manufacturers to comply with food safety, environmental or other laws and regulations, or with the specifications and requirements of its products, may disrupt its supply of products and adversely affect its business.

If suppliers or partners fail to comply with food safety, environmental or other laws and regulations, or face allegations of non-compliance, their operations may be disrupted. In the event of actual or alleged non-compliance, the Resulting Issuer might be forced to find alternative suppliers or partners and it may be subject to lawsuits related to such non-compliance. As a result, the Resulting Issuer's supply of raw materials or finished inventory could be disrupted or its costs could increase, which would adversely affect its business, results of operations and financial condition. Additionally, actions the Resulting Issuer may take to mitigate the impact of any disruption or potential disruption in its supply of raw materials or finished inventory, including increasing inventory in anticipation of a potential supply or production interruption, may adversely affect its business, results of operations and financial condition.

### ***Transportation providers***

Failure by the Resulting Issuer's transportation providers to deliver products on time, or at all, could result in lost sales. The Resulting Issuer currently relies upon third-party transportation providers for a significant portion of product shipments. Utilization of delivery services for shipments is subject to risks, including increases in fuel prices, which would increase its shipping costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet shipping needs. The Resulting Issuer periodically changes shipping companies, and could face logistical difficulties that could adversely affect deliveries. In addition, the Resulting Issuer could incur costs and expend resources in connection with such change. Moreover, the Resulting Issuer may not be able to obtain terms as favorable as those it receives from the third-party transportation providers that it currently uses, which in turn would increase costs and thereby adversely affect operating results.

The Resulting Issuer depends on fast and efficient third-party transportation services to distribute its products. Any prolonged disruption of third-party transportation services could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Rising costs associated with third party transportation services used by the Resulting Issuer to ship products may also adversely impact the Resulting Issuer's business, financial condition and results of operations.

### ***Competition***

The Resulting Issuer's ability to compete successfully in the gummy bear market, and the food market more generally, depends upon many factors both within and beyond its control, including:

- the size and composition of the Resulting Issuer's customer base;
- the number of suppliers and products that the Resulting Issuer has;
- the quality and responsiveness of customer service;
- the Resulting Issuer's selling and marketing efforts;
- the quality, price and reliability of the products that the Resulting Issuer offers;
- the convenience of the shopping experience that the Resulting Issuer provides;
- the Resulting Issuer's ability to distribute its products and manage its operations; and
- the Resulting Issuer's reputation and brand strength.

The food and snacking industry is highly competitive. The Resulting Issuer may not be able to compete successfully in its highly competitive market. Numerous brands and products compete for limited retailer shelf space, foodservice and food customers and consumers. In the Resulting Issuer's market, competition is based on, among other things, product quality and taste, brand recognition and loyalty, product variety, interesting or unique product names, product packaging and package design, shelf space, reputation, price, advertising, promotion and nutritional claims.

The Resulting Issuer competes with conventional confectionary companies, who may have substantially greater financial and other resources than it and whose confectionary products are well-accepted in the marketplace today.

They may also have lower operational costs, and as a result may be able to offer confectionary products to customers at lower costs. This could cause the Resulting Issuer to lower its prices, resulting in lower profitability or, in the alternative, cause it to lose market share if it fails to lower prices.

The Resulting Issuer also competes with other food brands that develop and sell low-sugar gummy products, including, but not limited to, Smart Sweets, Herband, Yummy Earth Natural Gummy Bears, and Alani Nu – Fit Snacks Gummy Bears (US) and with companies which may be more innovative, have more resources and be able to bring new products to market faster and to more quickly exploit and serve niche markets. The Resulting Issuer competes with these competitors for retailer shelf space and consumers.

Generally, the food industry is dominated by multinational corporations with substantially greater resources and operations than the Resulting Issuer. The Resulting Issuer cannot be certain that it will successfully compete with larger competitors that have greater financial, sales and technical resources. Conventional food companies may acquire the Resulting Issuer's competitors or launch their own gummy bear products, and they may be able to use their resources and scale to respond to competitive pressures and changes in consumer preferences by introducing new products, reducing prices or increasing promotional activities, among other things. Retailers could change the merchandising of the Resulting Issuer's products and it may be unable to retain the placement of its products in retailers to effectively compete with other confectionary products. Competitive pressures or other factors could cause the Resulting Issuer to lose market share, which may require it to lower prices, increase marketing and advertising expenditures, or increase the use of discounting or promotional campaigns, each of which would adversely affect margins and could result in a decrease in operating results and profitability.

To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing and sales. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, and sales efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

#### ***Damage to the Resulting Issuer's reputation***

The Resulting Issuer's brand and reputation may be diminished due to real or perceived quality or health issues with its products, which could have an adverse effect on the business, reputation, operating results and financial condition.

Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving the Resulting Issuer (such as incidents involving competitors), could cause negative publicity and reduced confidence in the Resulting Issuer, brand or products, which could in turn harm the Resulting Issuer's reputation and sales, and could materially adversely affect its business, financial condition and operating results. Although the Resulting Issuer believes that it has a rigorous quality control process, there can be no assurance that products will always comply with the standards set for the Resulting Issuer's products. For example, although the Resulting Issuer strives to keep its products free of pathogenic organisms, they may not be easily detected and cross-contamination can occur. There is no assurance that health risks will always be pre-empted by the Resulting Issuer's quality control processes.

The Resulting Issuer has no control over products once purchased by consumers. Accordingly, consumers may prepare the Resulting Issuer's products in a manner that is inconsistent with the directions or store products for long periods of time, which may adversely affect the quality and safety of the Resulting Issuer's products. If consumers do not perceive the Resulting Issuer's products to be safe or of high quality, then the value of the Resulting Issuer's brand would be diminished, and its business, results of operations and financial condition would be adversely affected.

Any loss of confidence on the part of consumers in the ingredients used in the Resulting Issuer's products or in the safety and quality of its products would be difficult and costly to overcome. Any such adverse effect could be exacerbated by the Resulting Issuer's position in the market as a purveyor of high-quality confectionary products and may significantly reduce its brand value. Issues regarding the safety of any of the Resulting Issuer's products, regardless of the cause, may have a substantial and adverse effect on its brand, reputation and operating results.

The growing use of social and digital media by the Resulting Issuer, its consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about the Resulting Issuer, its brands or its products on social or digital media could seriously damage the Resulting Issuer's brands and reputation. If the Resulting Issuer does not maintain the favorable perception of its brands, sales and profits could be negatively impacted.

### ***Maintaining the brand***

If the Resulting Issuer fails to develop and maintain its brand, business could suffer. Maintaining, promoting and positioning the Resulting Issuer's brand and reputation will depend on, among other factors, the success of its plant-based and low-sugar product offerings, food safety, quality assurance, marketing and merchandising efforts and its ability to provide a consistent, high-quality customer experience, which the Resulting Issuer may not do successfully. The Resulting Issuer may introduce new products or services that customers do not like, which may negatively affect its brand and reputation. Any negative publicity, regardless of its accuracy, could materially adversely affect the business. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers, suppliers or co-manufacturers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of the Resulting Issuer's brand and significantly damage its business.

### ***Food safety and illness incidents***

Food safety and food-borne illness incidents or advertising or product mislabeling may materially adversely affect the Resulting Issuer's business by exposing it to lawsuits, product recalls or regulatory enforcement actions, increasing its operating costs and reducing demand for its product offerings.

Selling food for human consumption involves inherent legal and other risks, and there is increasing governmental scrutiny of and public awareness regarding food safety. Unexpected side effects, illness, injury or death related to allergens, food-borne illnesses or other food safety incidents caused by products the Resulting Issuer sells, or involving its suppliers, could result in the discontinuance of sales of these products or relationships with such suppliers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to the Resulting Issuer's reputation. Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose the Resulting Issuer to product liability, negligence or other lawsuits, including consumer class action lawsuits. Any claims brought against the Resulting Issuer may exceed or be outside the scope of its existing or future insurance policy coverage or limits. Any judgment against the Resulting Issuer that is more than its policy limits or not covered by its policies or not subject to insurance would have to be paid from cash reserves, which would reduce the Resulting Issuer's capital resources.

The occurrence of food-borne illnesses or other food safety incidents could also adversely affect the price and availability of affected ingredients, resulting in higher costs, disruptions in supply and a reduction in sales. Furthermore, any instances of food contamination or regulatory noncompliance, whether or not caused by the Resulting Issuer's actions, could compel it, suppliers, distributors or customers, depending on the circumstances, to conduct a recall. Food recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time and potential loss of existing distributors or customers and a potential negative impact on the Resulting Issuer's ability to attract new customers due to negative consumer experiences or because of an adverse impact on its brand and reputation. The costs of a recall could exceed or be outside the scope of its existing or future insurance policy coverage or limits.

### ***Yumy Bear Gummies***

Sales of the Yumy Bear Gummies will contribute a significant portion of the Resulting Issuer's revenue. A reduction in sales of the Yumy Bear Gummies would have an adverse effect on the Resulting Issuer's financial condition.

The Resulting Issuer expects the Yumy Bear Gummies to account for a significant percentage of its gross revenues. The Yumy Bear Gummies is the Resulting Issuer's flagship product and has been the focal point of development and marketing efforts, and its sales will constitute a significant portion of the Resulting Issuer's revenues, income and cash flow for the foreseeable future. The Resulting Issuer cannot be certain that it will be able to continue to expand

production and distribution of the Yummy Bear Gummies, or that customer demand for future products will expand to allow such products to reduce reliance on the Yummy Bear Gummies. Accordingly, any factor adversely affecting sales of the Yummy Bear Gummies could have a material adverse effect on business, financial condition and results of operations.

***Concentration of production capacity***

The primary components of all of the Resulting Issuer's products are manufactured in China and any damage or disruption at these facilities may harm the business. Because the Resulting Issuer maintains minimal finished goods inventory at its production location as part of its "day-of-production" production system, the Resulting Issuer could be challenged to continue to produce an adequate supply of products in the event that production at or transportation from the Resulting Issuer's production facility were interrupted by fire, flood or other natural disasters, work stoppages, regulatory actions or other causes. Any significant interruption would seriously harm the Resulting Issuer's business and results of operations.

***Products are distributed in a limited geographic area***

The Resulting Issuer's wholesale accounts and retail trade partners are located in British Columbia. Most of the Resulting Issuer's sales are in the metropolitan areas within that region. Due to this concentration, natural disasters, economic downturns and other conditions affecting the region may adversely affect the Resulting Issuer's product distribution and its business generally, and the Resulting Issuer's results of operations.

***Limited range of products and diversification***

The Resulting Issuer's business is vertically integrated and centred around a limited number of products, being low-sugar gummy bears, sold primarily through the Resulting Issuer's direct-store-delivery system and a limited number of distributors. Any significant disruption in the Resulting Issuer's product supply to the consumer and any decrease in the consumption of the Resulting Issuer's products generally or specifically would have an adverse effect on the Resulting Issuer's business and results of operations.

***Product innovation and development***

Failure to introduce new products or successfully improve existing products may adversely affect the Resulting Issuer's ability to continue to grow. The success of the Resulting Issuer's innovation and product development efforts is affected by its ability to anticipate changes in customer and consumer preferences, the technical capability of innovation staff in developing and testing products, including complying with applicable governmental regulations, and the success of management and sales and marketing teams in introducing and marketing new products and services. Failure to develop and market new products and services that appeal to customers and consumers may lead to a decrease in growth, sales and profitability. Additionally, the development and introduction of new products requires substantial research, development and marketing expenditures, which the Resulting Issuer may be unable to recoup if the new products do not gain widespread market acceptance. If the Resulting Issuer is unsuccessful in meeting its objectives with respect to new or improved products, business could be harmed.

***Acquiring and retaining customers***

The Resulting Issuer's success, and its ability to increase revenue and operate profitably, depends in part on its ability to cost-effectively acquire new customers, to retain existing customers, and to keep existing customers engaged so that they continue to purchase products. If the Resulting Issuer is unable to cost-effectively acquire new customers, retain existing customers or keep existing customers engaged, the business, financial condition and operating results would be materially adversely affected. Further, if customers do not perceive the Resulting Issuer's product offerings to be of sufficient value and quality, or if it fail to offer new and relevant product offerings, the Resulting Issuer may not be able to attract or retain customers or engage existing customers so that they continue to purchase products. The Resulting Issuer may lose loyal customers to competitors if it is unable to meet customers' orders in a timely manner.

If the Resulting Issuer fails to manage its future growth effectively, the business could be materially adversely affected.

### ***Changing consumer preferences***

Consumer preferences for food and snacking products change continually. The Resulting Issuer's success depends on its ability to predict, identify and interpret the tastes, dietary habits, packaging, sales channel and other preferences of consumers and to offer products that appeal to these preferences in the places and ways consumers want to shop. There may be further shifts in the relative size of shopping channels in addition to the increasing role of e-commerce for consumers. The Resulting Issuer's success relies upon managing this complexity to promote and bring its products to consumers effectively. Moreover, weak economic conditions, recession, equity market volatility or other factors, such as severe or unusual weather events, can affect consumer preferences and demand. Failure to offer products that appeal to consumers or to correctly judge consumer demand for the Resulting Issuer's products will impact the Resulting Issuer's ability to meet its growth targets and sales.

The Resulting Issuer must distinguish between short-term fads and trends and long-term changes in consumer preferences. When the Resulting Issuer does not accurately predict which shifts in consumer preferences or category trends will be long-term or fail to introduce new and improved products to satisfy changing preferences, the Resulting Issuer's sales could be adversely affected. Failure to expand the Resulting Issuer's product offerings successfully across product categories, rapidly develop products in faster growing and more profitable categories or reach consumers in efficient and effective ways leveraging data and analytics could cause demand for the Resulting Issuer's products to decrease.

The Resulting Issuer's business is focused on the development, manufacture, marketing and distribution of a line of low-sugar gummy bears made from plant-based and natural ingredients. Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for products decreased, the Resulting Issuer's business and financial condition would suffer. In addition, sales of low-sugar, plant-based and natural-ingredient products are subject to evolving consumer preferences that the Resulting Issuer may not be able to accurately predict or respond to. Consumer trends that the Resulting Issuer believes favour sales of its products could change based on a number of possible factors, including economic factors and social trends. A significant shift in consumer demand away from the Resulting Issuer's products could reduce its sales or market share and the prestige of its brand, which would harm the business and financial condition.

### ***Ingredient risk***

The Resulting Issuer's profitability is dependent on, among other things, its ability to anticipate and react to raw material and food costs. Currently, the main ingredient in the Resulting Issuer's products is Non-GMO Soluble Corn Fiber, Stevia Leaf Extract, Pectin, Natural Fruit Flavour, Malic Acid, Citric Acid, Fruit and Vegetable Juice, Modified Potato Starch, Chicory Root Fiber, which it sources from soluble corn/tapioca fiber - SMI, stevia - Wisdom, natural flavors - Gold Coast/Flavorchem/Phoenix Aromas, modified potato starch - Solnul, pectin - Cargill, coconut oil - Bioriginal, carnauba wax - Jedwards International, citric/malic acid - Batory, beet juice powder - PowderPure. The prices of Non-GMO Soluble Corn Fiber, Stevia Leaf Extract, Pectin, Natural Fruit Flavour, Malic Acid, Citric Acid, Fruit and Vegetable Juice, Modified Potato Starch, Chicory Root Fiber and the other ingredients the Resulting Issuer uses are subject to many factors beyond its control, such as the number and size of suppliers for Non-GMO Soluble Corn Fiber, Stevia Leaf Extract, Pectin, Natural Fruit Flavour, Malic Acid, Citric Acid, Fruit and Vegetable Juice, Modified Potato Starch, Chicory Root Fiber, the vagaries of these supplier businesses, including changes in national and world economic conditions. In addition, the Resulting Issuer may purchase some ingredients and other materials outside Canada, and the price and availability of such ingredients and materials may be affected by political events or other conditions in these countries or tariffs or trade wars. The Resulting Issuer is working to diversify its sources of supply and intends to enter into long-term contracts to better ensure stability of prices of its raw materials, but there can be no assurance that such long-term contracts will be entered into.



### ***Ingredient and packaging costs***

Ingredient and packaging costs are volatile and may rise significantly, which may negatively impact the profitability of the business. The Resulting Issuer purchases large quantities of raw materials, including ingredients derived from Non-GMO Soluble Corn Fiber, Stevia Leaf Extract, Pectin, Natural Fruit Flavour, Malic Acid, Citric Acid, Fruit and Vegetable Juice, Modified Potato Starch, Chicory Root Fiber. In addition, the Resulting Issuer purchases and uses significant quantities of packaging materials for its products. Costs of ingredients and packaging are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand and changes in governmental trade and agricultural programs. Volatility in the prices of raw materials and other supplies the Resulting Issuer purchases could increase its cost of sales and reduce its profitability. Moreover, the Resulting Issuer may not be able to implement price increases for its products to cover any increased costs, and any price increases it does implement may result in lower sales volumes. If the Resulting Issuer is not successful in managing its ingredient and packaging costs, if it is unable to increase its prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect its business, results of operations and financial condition.

### ***Health concerns***

The Resulting Issuer could be adversely affected if consumers lose confidence in the safety and quality of its vendor-supplied food products. All of the Resulting Issuer's suppliers are required to comply with applicable product safety laws and the Resulting Issuer is dependent upon them to ensure such compliance. Adverse publicity about these types of concerns, whether valid or not, may discourage consumers from buying the products the Resulting Issuer offers, or cause supplier production and delivery disruptions. The real or perceived sale of bad food products by the Resulting Issuer could result in product liability claims against the Resulting Issuer's suppliers or the Resulting Issuer, expose the Resulting Issuer or its suppliers to governmental enforcement action or private litigation, or lead to costly recalls and a loss of consumer confidence, any of which could have an adverse effect on the Resulting Issuer's business, financial condition, and results of operations.

### ***Product returns or refunds***

The Resulting Issuer offers refunds or allows its customers to return products or offer refunds, subject to the Resulting Issuer return and refunds policy. If product returns or refunds are significant or higher than anticipated and forecasted, the Resulting Issuer's business, financial condition, and results of operations could be adversely affected. Further, the Resulting Issuer modifies its policies relating to returns or refunds from time to time, and may do so in the future, which may result in customer dissatisfaction and harm to the Resulting Issuer's reputation or brand, or an increase in the number of product returns or the amount of refunds the Resulting Issuer makes.

The Resulting Issuer may enter into agreements with its trade partners that provide a right to return unsold products. Due to the limited shelf life, the Resulting Issuer may need to destroy the products because they cannot be sold anymore. This right will reduce the income due to the Resulting Issuer for the destroyed products, which will have a negative impact on its earnings.

### ***Product approvals***

The Resulting Issuer may require advance approval of its products from federal, provincial, state and/or local authorities. While the Resulting Issuer intends to follow the guidelines and regulations of each applicable federal, provincial, state and/or local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any federal, provincial, state and/or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Resulting Issuer's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

### ***Product liability***

As a distributor of products designed to be ingested by humans, the Resulting Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of food products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of food products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that the products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

Because the Resulting Issuer's products are not irradiated or chemically treated, they are perishable and contain certain naturally occurring microorganisms. The Resulting Issuer may receive complaints from consumers regarding ill effects allegedly caused by the Resulting Issuer's products.

Product liability claims or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the Resulting Issuer's results of operations and financial condition of the Resulting Issuer.

### ***Claims related to product assertions***

The Resulting Issuer's products are sold as healthy, low-sugar products containing substantial amounts of various natural ingredients. The Resulting Issuer makes various other assertions about its products, such as plant-based, made with natural ingredients, no artificial colours, no artificial sweeteners and no sugar alcohols. Consumers and other consumer groups often challenge these types of claims. The law in the area of what is natural and other aspects of marketing the Resulting Issuer's products is not settled and, in most cases, not statutory. Therefore, the Resulting Issuer may be subject to various claims about its advertising and its products from time to time, which may cause the Resulting Issuer to pay monetary damages, change the Resulting Issuer's advertising or change the Resulting Issuer's products. Any of these actions may result in adverse consequences to the Resulting Issuer's operations, its product placement and results of operations.

### ***Product recalls***

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may also lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Resulting Issuer has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products were subject to recall, the image of that product and the Resulting Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer.

### ***Staffing and management***

Failure to attract and retain management and key personnel may adversely affect the Resulting Issuer's operations. Its success is substantially dependent on the continued service of certain senior management. These executives have been primarily responsible for determining the strategic direction of the business and for executing the growth strategy and are integral to the brand, culture and the reputation the Resulting Issuer enjoys with suppliers, distributors, customers and consumers. The loss of the services of any of these executives could have a material adverse effect on the business and prospects, as the Resulting Issuer may not be able to find suitable individuals to

replace them on a timely basis, if at all. In addition, any such departure could be viewed in a negative light by investors and analysts, which may cause the price of the Resulting Issuer's common stock to decline.

If the Resulting Issuer is unable to attract, train and retain employees, including key personnel, it may not be able to grow or successfully operate its business. The Resulting Issuer's success depends in part upon its ability to attract, train and retain a sufficient number of employees who understand and appreciate its culture and can represent its brand effectively and establish credibility with its business partners and consumers. If the Resulting Issuer is unable to hire and retain employees capable of meeting its business needs and expectations, its business and brand image may be impaired. Any failure to meet the Resulting Issuer's staffing needs or any material increase in turnover rates of employees may adversely affect the business, results of operations and financial condition.

### ***Conflicts of interest***

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its directors and executive officers may be engaged in a range of business activities. In addition, the Resulting Issuer's directors and executive officers may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer and subject to any contractual restrictions restricting such activities. In some cases, the Resulting Issuer's executive officers and directors may have fiduciary obligations associated with business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs, which could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers and directors.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and policies of the Resulting Issuer. For example, a director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it and absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

### ***Information technology***

The Resulting Issuer relies on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm its ability to effectively operate the business. The Resulting Issuer is dependent on various information technology systems, including, but not limited to, networks, applications and outsourced services in connection with the operation of the business. A failure of the Resulting Issuer's information technology systems to perform as it anticipates could disrupt the business and result in transaction errors, processing inefficiencies and loss of sales, causing the business to suffer. In addition, the Resulting Issuer's information technology systems may be vulnerable to damage or interruption from circumstances beyond its control, including fire, natural disasters, systems failures, viruses and security breaches. Any such damage or interruption could have a material adverse effect on the business.

### ***Cybersecurity incidents and technological disruptions***

A cybersecurity incident or other technology disruptions could negatively impact the business and relationships with customers. The Resulting Issuer uses computers in substantially all aspects of business operations. It also uses mobile devices, social networking, cloud services and other online activities to connect with employees, suppliers, partners, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information.

### ***Personal information***

The Resulting Issuer stores personal information, debit card information, credit card information, banking information, financial information and other confidential information of its partners, customers and consumers with whom the Resulting Issuer has a direct relationship. The unauthorized release, unauthorized access or compromise of this information could have a material adverse effect on the Resulting Issuer's business, financial condition and results

of operations. Even if such a data breach did not arise out of the Resulting Issuer's actions or inactions, or if it were to affect one or more of the Resulting Issuer's competitors or customers' competitors, rather than the Resulting Issuer itself, the Resulting Issuer's business, financial condition, and results of operations may be materially and adversely affected.

The Resulting Issuer is also subject to federal, provincial, state and foreign laws regarding cybersecurity and the protection of data. The Resulting Issuer's failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties imposed by regulators, as well as claims by the Resulting Issuer's customers, their buyers, or other relevant stakeholders. These proceedings or violations could force the Resulting Issuer to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase the Resulting Issuer's costs of doing business, and materially and adversely affect the Resulting Issuer's reputation and the demand for its solutions.

In addition, various federal, provincial and state legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, consumer protection, and advertising. Each of these privacy, security, and data protection laws and regulations, and any other such changes or new laws or regulations, could impose significant limitations, require changes to the Resulting Issuer's business, or restrict the Resulting Issuer's use or storage of personal information, which may increase the Resulting Issuer's compliance expenses and make the Resulting Issuer's business more costly or less efficient to conduct. In addition, any such changes could compromise the Resulting Issuer's ability to develop an adequate marketing strategy and pursue the Resulting Issuer's growth strategy effectively, which, in turn, could adversely affect the Resulting Issuer's business, financial condition, and results of operations.

### ***Climate change***

Climate change may negatively affect the Resulting Issuer's business and operations. There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. If such climate change has a negative effect on agricultural productivity, the Resulting Issuer may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for the Resulting Issuer's products, such as Non-GMO Soluble Corn Fiber, Stevia Leaf Extract, Pectin, Fruit and Vegetable Juice, Modified Potato Starch, Chicory Root Fiber. Due to climate change, the Resulting Issuer may also be subjected to decreased availability of water, deteriorated quality of water or less favorable pricing for water, which could adversely impact its manufacturing and distribution operations.

### ***Intellectual property protection***

The Resulting Issuer may not be able to protect its intellectual property adequately, which may harm the value of its brand. The Resulting Issuer believes that its intellectual property has substantial value and has contributed significantly to the success of the business. The Resulting Issuer's trademarks are valuable assets that reinforce its brand and consumers' favorable perception of its products, as such it's proprietary recipe. The Resulting Issuer also relies on unpatented proprietary expertise, recipes and formulations and other trade secrets and copyright protection to develop and maintain its competitive position. The Resulting Issuer's continued success depends, to a significant degree, upon its ability to protect and preserve its intellectual property, including its trademarks, trade secrets and copyrights. The Resulting Issuer relies on confidentiality agreements and trademark, trade secret and copyright law to protect its intellectual property rights.

The Resulting Issuer's confidentiality agreements with its employees and certain of its consultants, contract employees, suppliers and independent contractors who use its formulations to manufacture its products, generally require that all information made known to them be kept strictly confidential. Nevertheless, trade secrets are difficult to protect. Although the Resulting Issuer attempts to protect its trade secrets, its confidentiality agreements may not effectively prevent disclosure of proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

The Resulting Issuer cannot assure you that the steps taken to protect its intellectual property rights are adequate, that its intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon or misappropriate any such rights. In addition, the Resulting Issuer's trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect trademark rights could prevent the Resulting Issuer in the future from challenging third parties who use names and logos similar to its trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of the brand and products. In addition, if the Resulting Issuer does not keep its trade secrets confidential, others may produce products with the Resulting Issuer's recipes or formulations. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether it is successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject the Resulting Issuer to liabilities, force it to cease use of certain trademarks or other intellectual property or force it to enter into licenses with others. Any one of these occurrences may have a material adverse effect on the business, results of operations and financial condition.

### ***Expansion efforts may not be successful***

There is no guarantee that the Resulting Issuer's intentions to grow its business will be successful. Any such activities may require, among other things, various regulatory approvals, licences and permits and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

In addition to being subject to general business and regulatory risks, any business that produces, distributes and/or sells a food product will need to build brand awareness in the industry and market through significant investments in strategy, distribution channels, quality assurance and regulatory compliance. These activities may not promote the Resulting Issuer's brands as effectively as intended, or at all.

There is also no guarantee that the Resulting Issuer will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Resulting Issuer to successfully execute any expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Resulting Issuer's business, financial condition and results of operations.

### ***No guarantee on the use of available funds***

The Resulting Issuer cannot specify with certainty the particular uses of the proceeds. Management has broad discretion in the application of the Resulting Issuer's proceeds, including for any of the purposes described in "Use of Proceeds" elsewhere in this Listing Statement. Accordingly, a purchaser of Resulting Issuer Shares will have to rely upon the judgment of management with respect to the use of proceeds set forth in this Listing Statement, with only limited information concerning management's specific intentions. The Resulting Issuer's management may spend a portion or all of the proceeds in ways that the Resulting Issuer's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm the Resulting Issuer's business. Pending use of such funds, the Resulting Issuer might invest the proceeds in a manner that does not produce income or that loses value.

### ***Liability for activity of employees, contractors and consultants***

The Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Resulting Issuer. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Resulting Issuer. Consequently, the Resulting Issuer is subject to certain risks, including that employees, contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Resulting Issuer.

### ***Inability to accurately forecast net sales and expenses***

Net sales and results of operations are difficult to forecast because they generally depend on the volume, timing and type of orders the Resulting Issuer receives, all of which are uncertain. The Resulting Issuer bases its expense levels

and investment plans on its estimates of net sales and gross margins. The Resulting Issuer cannot be sure the same growth rates, trends, and other key performance metrics are meaningful predictors of future growth. If the Resulting Issuer's assumptions prove to be wrong, the Resulting Issuer may spend more than it anticipates acquiring and retaining customers or may generate lower net sales per active customer than anticipated, either of which could have a negative impact on the Resulting Issuer's business, financial condition, and results of operations.

### ***Future acquisitions or dispositions***

Material acquisitions, dispositions and other strategic transactions, other than the Transaction that is contemplated in this Listing Statement, involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; and (vi) loss or reduction of control over certain of the Resulting Issuer's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations.

### ***Estimates of the addressable market***

While the Resulting Issuer's market size estimate was made in good faith and is based on assumptions and estimates that the Resulting Issuer believes to be reasonable, this estimate may not be accurate. If the Resulting Issuer's estimates of the size of its addressable market are not accurate, the Resulting Issuer's potential for future growth may be less than the Resulting Issuer currently anticipates, which could have a material adverse effect on the Resulting Issuer's business, financial condition, and results of operations.

Because the low-sugar gummy bear industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Resulting Issuer and, few, if any, established companies whose business model the Resulting Issuer can follow or upon whose success the Resulting Issuer can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Resulting Issuer. There can be no assurance that the Resulting Issuer's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

### ***Risks related to being a public Resulting Issuer***

If the Resulting Issuer fails to maintain proper and effective internal controls, its ability to produce accurate financial statements on a timely basis could be impaired, investors may lose confidence in its financial reporting and the trading price of its common stock may decline.

Yumy Bear has been a private company since its inception and, as such, Yumy Bear may not have had the internal control and financial reporting requirements that are required of a publicly-traded company.

Ensuring that the Resulting Issuer has adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Any failure to maintain internal control over financial reporting could severely inhibit the Resulting Issuer's ability to accurately report the financial condition, results of operations or cash flows. If it is unable to conclude that the Resulting Issuer's internal control over financial reporting is effective, or if its independent accounting firm determines that it has a material weakness or significant deficiency in its internal control over financial reporting investors may lose confidence in the accuracy and completeness of the Resulting Issuer's financial reports,

the market price of its common stock could decline, and it could be subject to sanctions or investigations regulatory authorities.

### ***Increased costs of being a public Resulting Issuer***

The requirements of being a public company require the Resulting Issuer to incur costs and may strain its resources, divert management's attention and affect its ability to attract and retain qualified board members.

As a public company, the Resulting Issuer has incurred and will continue to incur significant legal, accounting and other expenses. The Resulting Issuer is subject to the reporting requirements which require, among other things, that it file quarterly and current reports with respect to its business and financial condition. The Resulting Issuer expects the rules and regulations applicable to public companies to continue to increase its legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of management and personnel from other business concerns, they could have a material adverse effect on the business, financial condition and results of operations. The Resulting Issuer cannot predict or estimate the amount or timing of costs it may incur to respond to these requirements.

### ***Evaluation of disclosure controls and procedures***

The Resulting Issuer's senior management has evaluated the effectiveness of its disclosure controls and procedures. Based on that evaluation, senior management concluded that its disclosure controls and procedures were effective to provide reasonable assurance that information it is required to disclose in reports that are filed or submitted pursuant to securities legislation is recorded, processed, summarized, and reported within the time periods specified and that such information is accumulated and communicated to senior management, as appropriate, to allow timely decisions regarding required disclosure.

### ***Limitations on effectiveness of controls and procedures***

Management does not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Resulting Issuer have been detected.

### ***Future financing***

Following completion of the Transaction, the Resulting Issuer may require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, may force it to delay, limit, reduce or terminate its product and service development, and other operations.

The Resulting Issuer may, from time to time, report a working capital deficit. To maintain its activities, the Resulting Issuer may need to seek additional funds through public or private equity or debt financings or other sources, such as strategic collaborations. Such financing may result in dilution to shareholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect the Resulting Issuer's business. In addition, the Resulting Issuer may seek additional capital due to favorable market conditions or strategic considerations even if it believes it has sufficient funds for its current or future operating plans.

There can be no assurance that financing will be available to the Resulting Issuer or, if it is, that it will be available on terms acceptable to the Resulting Issuer and will be sufficient to fund cash needs until the Resulting Issuer achieves positive cash flow. If the Resulting Issuer is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. Failure to obtain additional financing could also result in delay or indefinite postponement of further research and product development.

### ***Risks related to ownership of Resulting Issuer Shares***

The Resulting Issuer Share price has been, and the Resulting Issuer Shares may continue to be, highly volatile, and you could lose all or part of your investment.

The market price of the Resulting Issuer Shares is likely to be highly volatile and could be subject to wide fluctuations in response to many factors discussed in this “*Risk Factors*” section, including:

- Actual or anticipated fluctuations in financial condition and operating results, including fluctuations in quarterly and annual results;
- Announcements of innovations by the resulting issuer or competitors;
- Overall conditions in the industry and the markets in which the resulting issuer operates;
- Market conditions or trends in the food industry, snacking industry, confectionary industry, gummy bear industry, retail industry, or in the economy as a whole;
- Addition or loss of significant customers or other developments with respect to significant customers;
- Adverse developments concerning manufacturers or suppliers;
- Changes in laws or regulations applicable to the resulting issuer’s products;
- Ability to effectively manage growth;
- Ability to effectively research, develop and launch products;
- Actual or anticipated changes in growth rate relative to competitors;
- Announcements by the resulting issuer or competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- Additions or departures of key personnel;
- Competition from existing products or new products that may emerge;
- Issuance of new or updated research or reports about the resulting issuer or the industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- News reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the resulting issuer’s industry;
- Failure to meet the estimates and projections of the investment community or that the resulting issuer may otherwise provide to the public;
- Fluctuations in the valuation of companies perceived by investors to be comparable to the resulting issuer;
- Disputes or other developments related to proprietary rights, including patents, and the resulting issuer’s ability to obtain intellectual property protection for its products;
- Litigation or regulatory matters;
- Announcement or expectation of additional financing efforts;
- Cash position;
- Sales of resulting issuer shares by the resulting issuer or its shareholders;
- Share price and volume fluctuations attributable to inconsistent trading volume levels of the resulting issuer shares;
- Changes in accounting practices;
- Ineffectiveness of internal controls;
- General economic, market and political conditions; and
- Other events or factors, many of which are beyond the resulting issuer’s control.

Furthermore, financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies, including those fluctuations a result of the COVID-19 pandemic. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer’s or, following the completion of the Transaction, the Resulting Issuer’s operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer’s operations could be adversely impacted and the trading price of the Resulting Issuer Shares may be materially adversely affected.



### **Active trading market**

An active trading market may not be sustained. You may not be able to sell your Resulting Issuer Shares quickly or at a recently reported market price if trading in the Resulting Issuer Shares does not remain active. The lack of an active market may also reduce the fair market value the Resulting Issuer Shares and the liquidity of a shareholder's investment may be limited. An inactive market may also impair the Resulting Issuer's ability to raise capital to continue to fund operations by selling Resulting Issuer Shares.

### **Public market sales**

Future sales of the Resulting Issuer Shares in the public market could cause the Resulting Issuer Share price to fall. Sales of a substantial number of Resulting Issuer Shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of Resulting Issuer Shares intend to sell Resulting Issuer Shares, could reduce the market price of the Resulting Issuer Shares.

### **Price volatility of publicly traded securities**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer Shares will be affected by such volatility.

### **Dividends**

The Resulting Issuer has never paid dividends on its shares and does not intend to pay dividends for the foreseeable future. The Resulting Issuer anticipates that it will retain all future earnings for use in the operation of the business and for general corporate purposes. Accordingly, investors should rely on sales of their Resulting Issuer Shares after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Consequently, any gains from an investment in the Resulting Issuer Shares will likely depend on whether the price of the Resulting Issuer Shares increases.

## **18. Promoters**

Other than as disclosed below, no person or company has been within the two years immediately preceding the date of this Listing Statement, a promoter of the Resulting Issuer, Fire River, Yumy Bear or their subsidiaries.

Ms. Erica Williams, former director of Yumy Bear and Chief Executive Officer and a Director of the Resulting Issuer, was a promoter of Yumy Bear and is a promoter of the Resulting Issuer. Ms. Williams is a registered owner of 1,000,000 Resulting Issuer Shares, representing 3.64% of the Resulting Issuer Shares on a non-diluted basis.

Ms. Cassidy McCord, former director of Yumy Bear and a Director of the Resulting Issuer, was a promoter of Yumy Bear and is a promoter of the Resulting Issuer. Ms. McCord is a registered owner of 1,000,000 Resulting Issuer Shares, representing 3.64% of the Resulting Issuer Shares on a non-diluted basis.

Other than as disclosed in this section and under "*Executive Compensation*" or elsewhere in this Listing Statement, no person who was a promoter of the Resulting Issuer, Fire River or Yumy Bear within the last two years:

- (a) received anything of value directly or indirectly from the Resulting Issuer, Fire River, Yumy Bear or their subsidiaries;
- (b) sold or otherwise transferred any asset to the Resulting Issuer, Fire River, Yumy Bear or their subsidiaries within the last 2 years;

- (c) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- (d) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- (f) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

## **19. Legal Proceedings**

### **Legal Proceedings**

There are no material legal proceedings to which Fire River or Yumy Bear, or a subsidiary of any of the foregoing, is or was a party or which any of Fire River or Yumy Bear's property, as the case may be, is or was the subject of, during the most recently completed financial year, and Fire River or Yumy Bear, as the case may be, is not aware of any such proceedings that are contemplated.

### **Regulatory Actions**

During the three most recently completed financial years: (i) no penalties or sanctions were imposed against Fire River or Yumy Bear by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions were imposed by a court or regulatory body against Fire River or Yumy Bear that would likely be considered important to a reasonable investor in making an investment decision; and (iii) Fire River or Yumy Bear did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

## **20. Interest of Management and Others in Material Transactions**

Other than transactions carried out in the ordinary course of business of Fire River or Yumy Bear, as applicable or disclosed herein, no

- (a) director or executive officer of Fire River or Yumy Bear, as applicable;
- (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of Fire River or Yumy Bear, as applicable; or
- (c) associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b);

has, during any of the most recently completed financial years of Fire River or Yumy Bear, as applicable, had any material interest in any transactions or any proposed transactions which has materially affected Fire River or Yumy Bear, as applicable, or will materially affect the Resulting Issuer.

## **21. Auditors, Transfer Agents and Registrars**

### **Auditors**

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia are the auditors of both Fire River and Yumy Bear.

### **Transfer Agent and Registrar**

Endeavor Trust Corporation is the transfer agent and registrar for Fire River and maintains registers in Vancouver, British Columbia. Fire River's transfer agent and registrar is located at 702 – 777 Hornby Street, Vancouver, BC, V6Z 1S4.

## **22. Material Contracts**

Fire River (and, following the Closing of the Transaction, the Resulting Issuer) and Yumy Bear have entered into the following material contracts, other than contracts entered into in the ordinary course and those described herein, in the two years preceding the date of this Listing Statement.

### ***Fire River***

- Business Combination Agreement dated April 1, 2021 between Fire River, SubCo and Yumy Bear whereby Fire River acquired all of the issued and outstanding Yumy Bear Shares. See "*General Development of the Business – The Business Combination Agreement*".
- Escrow Agreement dated June 30, 2021 between the Resulting Issuer and certain securityholders of the Resulting Issuer whereby the securities of the Resulting Issuer held by such securityholders were deposited into escrow under the Transaction. See "*Escrowed Securities*".

### ***Yumy Bear***

- Business Combination Agreement dated April 1, 2021 between Fire River, SubCo and Yumy Bear whereby Fire River acquired all of the issued and outstanding Yumy Bear Shares. See "General Development of the Business – The Business Combination Agreement".

## **23. Interest of Experts**

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, Fire River's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia. Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, Yumy Bear's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other than as set forth below, the aforementioned firms held no securities of Fire River or Yumy Bear, when they prepared the reports or information referred to, or following the preparation of such reports or information.

## **24. Other Material Facts**

To the knowledge of Fire River's directors and officers, there are no material facts about Fire River and its securities that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to Fire River and its securities.

## **25. Financial Statements**

Certain financial statements of Fire River and Yumy Bear have been attached to this Listing Statement, as follows.

- The audited financial statements for Fire River for the years ended October 31, 2020 and 2019, and the unaudited financial statements for Fire River for the six month period ended April 30, 2021, all as attached to this Listing Statement as Schedule "A".
- The audited financial statements for Yummy Bear for the period from September 9, 2020 (date of incorporation) to January 31, 2021, and the unaudited financial statements for Yummy Bear for the three month period ended April 30, 2021, all as attached to this Listing Statement as Schedule "C".
- For the Resulting Issuer, please see the Resulting Issuer Pro Forma Consolidated Balance Sheet as at April 30, 2021 and attached to this Listing Statement as Schedule "E".

## CERTIFICATE OF FIRE RIVER

The foregoing contains full, true, and plain disclosure of all material information relating to Fire River. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

*"David Bentil"*

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David Bentil

*Chief Executive Officer and Director*

*"Sue He"*

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Sue He

*Chief Financial Officer and Director*

*"Quinn Field-Dyde"*

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Quinn Field-Dyde

*Director*

## CERTIFICATE OF YUMY BEAR

The foregoing contains full, true and plain disclosure of all material information relating to Yumy Bear Goods Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

*"Erica Williams"*

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Erica Williams  
CEO, Director and Promoter

*"Cassidy McCord"*

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Cassidy McCord  
Director and Promoter

**SCHEDULE "A"**

**FIRE RIVER FINANCIAL STATEMENTS**

**Fire River Gold Corp.**  
**Financial Statements**  
**October 31, 2020**  
(Expressed in Canadian dollars)



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fire River Gold Corp.:

### Opinion

We have audited the financial statements of Fire River Gold Corp. (the "Company"), which comprise the statements of financial position as at October 31, 2020 and 2019, and the statements of comprehensive loss, cash flows, and changes in shareholders' deficit for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.



**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

March 1, 2021



An independent firm  
associated with Moore  
Global Network Limited

**Fire River Gold Corp.**  
**Statements of Financial**  
**Position**

	Note	As at October 31, 2020	As at October 31, 2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 2,115	\$ 84,689
<b>Total Assets</b>		<b>\$ 2,115</b>	<b>\$ 84,689</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>			
<b>Current liabilities</b>			
Trade and other payables	4,12	\$ 750,078	\$ 725,342
Loans payable	5	402,368	348,835
<b>Total Liabilities</b>		<b>1,152,446</b>	<b>1,074,177</b>
<b>Shareholders' Deficit</b>			
Common shares	6	39,172,995	39,172,995
Reserves	6	18,029,569	18,029,569
Deficit		(58,352,895)	(58,192,052)
<b>Total Shareholders' Deficit</b>		<b>(1,150,331)</b>	<b>(989,488)</b>
<b>Total Liabilities and Shareholders' Deficit</b>		<b>\$ 2,115</b>	<b>\$ 84,689</b>

Going Concern (Note 1)

Approved by:

“David Bentil”  
 \_\_\_\_\_  
 Director

“Quinn Field-Dyte”  
 \_\_\_\_\_  
 Director

**Fire River Gold Corp.**  
**Statements of Comprehensive**  
**Loss**

	Note	Years ended October 31,	
		2020	2019
Administration expenses	7	\$ (160,671)	\$ (193,937)
Other item:			
Foreign exchange gain (loss)		(172)	633
<b>Net loss for the year</b>		<b>\$ (160,843)</b>	<b>\$ (193,304)</b>
<b>Loss per share</b>			
Basic and diluted	9	\$ (0.051)	\$ (0.061)

The accompanying notes are an integral part of these financial statements.

**Fire River Gold  
Corp.**  
**Statements of Cash Flows**

	<b>Years ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (160,843)	\$ (193,304)
Non-cash items:		
Foreign exchange (gain) loss	172	(633)
Accrued interest	33,533	32,808
Operating cash flows before movements in working capital:		
Change in trade and other payables	24,564	(54,808)
<b>Cash used in operating activities</b>	<b>(102,574)</b>	<b>(215,937)</b>
<b>FINANCING ACTIVITY</b>		
Loan payable	20,000	-
Cash provided by financing activity	20,000	-
<b>Change in cash</b>	<b>(82,574)</b>	<b>(215,937)</b>
Cash, beginning of year	84,689	300,626
<b>Cash, end of year</b>	<b>\$ 2,115</b>	<b>\$ 84,689</b>

The accompanying notes are an integral part of these financial statements.

## 2 Fire River Gold Corp.

### Statements of Changes in Shareholders' Deficit

(Expressed in Canadian dollars)

	<b>Number of shares</b>	<b>Common shares</b>	<b>Stock option reserve</b>	<b>Warrant reserve</b>	<b>Deficit</b>	<b>Total</b>
Balances at October 31, 2018	3,161,570	\$ 39,172,995	\$ 3,473,677	\$ 14,555,892	\$ (57,998,748)	\$ (796,184)
Net and comprehensive loss for the year	-	-	-	-	(193,304)	(193,304)
Balances at October 31, 2019	3,161,570	39,172,995	3,473,677	14,555,892	(58,192,052)	(989,488)
Net and comprehensive loss for the year	-	-	-	-	(160,843)	(160,843)
<b>Balances at October 31, 2020</b>	<b>3,161,570</b>	<b>\$ 39,172,995</b>	<b>\$ 3,473,677</b>	<b>\$ 14,555,892</b>	<b>\$ (58,352,895)</b>	<b>\$ (1,150,331)</b>

The accompanying notes are an integral part of these financial statements.

# **Fire River Gold Corp.**

## **Notes to Financial Statements**

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### **1 CORPORATE INFORMATION**

Fire River Gold Corp. (the “Company”) was incorporated on September 22, 1997 under the laws of the Province of British Columbia and is a mineral exploration company focused on the acquisition, exploration and development of gold, silver and base metal properties. The Company’s shares are listed on the NEX Board of the TSX Venture Exchange (“Exchange”). Its head office is located at 400 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future, will be able to realize its assets, discharge its liabilities and commitments in the normal course of business. As of October 31, 2020, the Company had no mining or exploration projects. The Company will require capital to fund operations. The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments could be necessary in the carrying value and classification of assets and liabilities. Such adjustments could be material.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising which may negatively impact the Company’s business and financial condition.

### **2 BASIS OF PREPARATION**

#### **2.1 Basis of presentation**

The Company’s financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (Note 11) and are presented in Canadian dollars except where otherwise indicated.

These financial statements were approved by the board of directors on March 1, 2021.

# **Fire River Gold Corp.**

## **Notes to Financial Statements**

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### **3 BASIS OF PREPARATION (Continued)**

#### **2.2 Statement of compliance**

The financial statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of International Financial Reporting Interpretations Committee (“IFRIC”).

### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1 Significant accounting judgments, estimates and assumptions**

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

#### **4.2 Share-based payments**

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

#### **4.3 Taxation**

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

# Fire River Gold Corp.

## Notes to Financial Statements

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### 5 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.3 Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

#### 3.4 Financial instruments

##### Classification

The Company classifies its financial instruments in the following categories: at fair value or profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

<b>Financial assets/liabilities</b>	<b>IFRS 9 classification</b>
Cash	FVTPL
Trade and other payables	Amortized cost
Loans payable	Amortized cost

##### Measurement

###### *Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

###### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

###### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of income (loss) in the period in which they arise.



# Fire River Gold Corp.

## Notes to Financial Statements

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### 6 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.4 Financial instruments (continued)

##### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

##### Derecognition

###### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

###### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss).

#### 3.5 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for any indicators of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written-down to its recoverable amount. Impairment losses are recognized in profit or loss.

# **Fire River Gold Corp.**

## **Notes to Financial Statements**

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### **7 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **3.5 Impairment of non-financial assets (continued)**

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **3.6 Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

#### **3.7 Exploration and evaluation properties**

Exploration and evaluation costs and option maintenance payments are expensed as incurred. When it has been determined that a resource property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and are depreciated using the unit-of-production depreciation method over the estimated life of the ore body based on proven and probable reserves.

#### **3.8 Decommissioning, restoration and similar liabilities**

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

# Fire River Gold Corp.

## Notes to Financial Statements

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The Company does not have any decommissioning or restoration obligations.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.9 Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

#### 3.10 Leases

The Company adopted IFRS 16 which replaced IAS 17 “Leases” and related interpretations, using the modified retrospective method which does not require restatement of prior period financial information. The new standard introduces a single lessee accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event of a significant change in circumstance occurs which affects this assessment. The Company did not have any operating leases in place as at October 31, 2020, as such, there was no impact on adoption of the standard.

#### 3.11 New accounting pronouncements not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company’s financial statements.

### 4 TRADE AND OTHER PAYABLES

The Company’s trade and other payables are as follows:

	<b>As at October 31, 2020</b>	As at October 31, 2019
Trade payables (Note 12)	\$ 681,946	\$ 658,502
Accrued liabilities	68,132	66,840
<b>Total trade and other payables</b>	<b>\$ 750,078</b>	<b>\$ 725,342</b>

Included in trade and other payables are amounts due to related parties which are disclosed in Note 12.

### 5 LOANS PAYABLE

During the year ended October 31, 2019, the Company owed \$300,000 (2018: \$300,000) to non-related parties. The promissory notes bear interest at the rate of 10% per annum and compounding annually (Note 7). The promissory notes were due and payable on or before April 19, 2019. As at October 31, 2020, the balance outstanding including accrued interest of \$382,310 (2019: \$348,835) is in default.

# **Fire River Gold Corp.**

## **Notes to Financial Statements**

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### **5 LOANS PAYABLE (Continued)**

During the year ended October 31, 2020, the Company received loan of \$20,000 from a non-related party. The loan bears interest at the rate of 7% per annum (Note 7) and due and payable on or before October 16, 2021. As at October 31, 2020, the balance outstanding including accrued interest is \$20,058.

### **6 SHARE CAPITAL**

#### **6.1 Authorized share capital**

The Company has authorized an unlimited number of common shares with no par value. At October 31, 2020, the Company had 3,161,570 common shares outstanding (2019: 3,161,570).

#### **6.2 Share issuances**

No shares were issued during the years ended October 31, 2020 and 2019.

#### **6.3 Share purchase warrants**

There were no share purchase warrants issued and outstanding during the years ended October 31, 2020 and 2019.

#### **6.4 Stock options**

The Company established a share purchase option plan whereby the Board may from time to time grant stock options to directors, officers, employees or consultants up to 102,442 shares at any time. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option will be set by the Board of Directors at the time such option is granted and cannot be less than the closing market price on the Exchange on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

There were no stock options issued and outstanding during the years ended October 31, 2020 and 2019.

#### **6.5 Reserves**

##### **Stock option reserve**

The stock option reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

##### **8 Warrant reserve**

The warrant reserve records the fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**Fire River Gold  
Corp.**  
**Notes to Financial  
Statements**

**7 ADMINISTRATION EXPENSES**

The administration expenses for the Company are broken down as follows:

	<b>Years ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Accounting and legal	\$ 16,092	\$ 11,043
Consulting (Note 12)	77,700	103,950
Filing fees	19,403	11,464
Interest expense (Note 5)	33,533	32,808
Bank charges	37	297
Office expenses	13,906	33,743
Travel	-	632
<b>Total administration expenses</b>	<b>\$ 160,671</b>	<b>\$ 193,937</b>

**8 TAXES**

**8.1 Provision for income taxes**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	<b>Years ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Net loss for the year	\$ (160,843)	\$ (193,304)
Statutory tax rate	27%	27%
Expected income recovery	(43,428)	(52,192)
Non-deductible items	-	3,480
Effect of change in tax rate	-	(368,949)
True up to prior year tax balances	455,936	-
Change in unrecognizable deductible temporary differences	(412,508)	417,661
<b>Total income tax recovery</b>	<b>\$ -</b>	<b>\$ -</b>

**8.2 Temporary tax differences and expiry dates**

Significant compounds of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

	<b>Years ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Property and equipment	\$ -	\$ 108,000
Allowance capital losses	\$ 20,770,000	\$ 20,770,000
Non-capital losses available for future periods	\$ 14,779,000	\$ 16,197,000

**Fire River Gold  
Corp.**  
**Notes to Financial  
Statements**

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**8 TAXES (Continued)**

**8.2 Temporary tax differences and expiry dates (continued)**

The tax pools relating to these deductible temporary differences expire as follows:

	<b>Canadian non- capital losses</b>	<b>Allowable capital losses</b>
2027	\$ 4,000	\$ -
2028	81,000	-
2029	928,000	-
2030	1,911,000	-
2031	2,222,000	-
2032	4,005,000	-
2033	3,485,000	-
2034	1,073,000	-
2035	82,000	-
2036	218,000	-
2037	206,000	-
2038	223,000	-
2039	180,000	-
2040	161,000	-
No expiry	-	20,770,000
	<b>\$ 14,779,000</b>	<b>\$ 20,770,000</b>

**9 LOSS PER SHARE**

The calculation of basic and diluted loss per share is based on the following data:

	<b>Years ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Net loss for the year	\$ (160,843)	\$ (193,304)
Weighted average number of shares - basic and diluted	<b>3,161,570</b>	3,161,570
<b>Loss per share, basic and diluted</b>	<b>\$ (0.051)</b>	<b>\$ (0.061)</b>

**10 CAPITAL MANAGEMENT**

The Company's objectives are to safeguard its ability to continue as a going concern in order to support its normal operating requirements. The Company is dependent on external financing to fund its activities. In order to pay for general administration costs, the Company will issue shares or debt. The Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available. As at October 31, 2020, the Company's capital structure consists of the equity of the Company (Note 6). The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management.

# Fire River Gold Corp.

## Notes to Financial Statements

### 11 FINANCIAL INSTRUMENTS

#### 11.1 Categories of financial instruments

	As at October 31, 2020	As at October 31, 2019
<b>FINANCIAL ASSETS</b>		
<b>Amortized cost</b>		
Cash	\$ 2,115	\$ 84,689
<b>Total financial assets</b>	<b>\$ 2,115</b>	<b>\$ 84,689</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade payables	\$ 681,946	\$ 658,502
Loans payable	402,368	348,835
<b>Total financial liabilities</b>	<b>\$ 1,084,314</b>	<b>\$ 1,007,337</b>

#### 11.2 Fair value

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

There were no transfers between Level 1 and 2 during the years ended October 31, 2020 and 2019. Cash is measured using Level 1 inputs.

#### 11.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 9 Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company's cash is held in Canadian based banking institutions, authorized under the Bank

## 11 FINANCIAL INSTRUMENTS (Continued)

### 11.3 Management of financial risks (continued) Credit

#### risk (continued)

Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management determines credit risk to be low.

#### 10 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Liquidity risk is assessed as high.

#### 11 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate of the loans payable is fixed. Therefore, the Company's exposure to interest rate risk is minimal.

#### 12 Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

## 12 RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management for the years ended October 31, 2020 and 2019 are as follows:

	Years ended October 31,	
	2020	2019
Consulting fees (Note 7)	\$ 77,700	\$ 63,000

Included in trade and other payables is \$136,500 (2019: \$126,000) owing to companies controlled by an officer and director of the Company that resigned subsequent to the year ended October 31, 2020 (Note 4). The amounts payable to related parties are non-interest bearing, unsecured and with no fixed terms of repayment.



**Fire River Gold Corp.**  
**Condensed Interim Financial Statements**  
**April 30, 2021**  
(Expressed in Canadian dollars)

**Fire River Gold Corp.**  
**Condensed Interim Statements of Financial Position**  
(Expressed in Canadian dollars)

	Note	As at April 30, 2021 (Unaudited)	As at October 31, 2020 (Audited)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 991,563	\$ 2,115
<b>Total Assets</b>		<b>\$ 991,563</b>	<b>\$ 2,115</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>			
<b>Current Liabilities</b>			
Trade and other payables	4,11	\$ 878,054	\$ 750,078
Loans payable	5	421,071	402,368
<b>Total Liabilities</b>		<b>1,299,125</b>	<b>1,152,446</b>
<b>Shareholders' Deficit</b>			
Common shares	6	39,703,485	39,172,995
Reserves	6	18,456,557	18,029,569
Deficit		(58,467,604)	(58,352,895)
<b>Total Shareholders' Deficit</b>		<b>(307,562)</b>	<b>(1,150,331)</b>
<b>Total Liabilities and Shareholders' Deficit</b>		<b>\$ 991,563</b>	<b>\$ 2,115</b>

Going Concern (Note 1)

Approved by:

“David Bentil”  
\_\_\_\_\_  
Director

“Quinn Field-Dyde”  
\_\_\_\_\_  
Director

# Fire River Gold Corp.

## Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended April 30,		Six months ended April 30,	
		2021	2020	2021	2020
Administration expenses	7	\$ (32,842)	\$ (26,334)	\$ (116,258)	\$ (50,349)
Other item:					
Foreign exchange gain (loss)		691	(902)	1,549	(999)
<b>Net loss for the period</b>		<b>\$ (32,151)</b>	<b>\$ (27,236)</b>	<b>\$ (114,709)</b>	<b>\$ (51,348)</b>
<b>Loss per share</b>					
Basic and diluted	8	\$ (0.004)	\$ (0.009)	\$ (0.022)	\$ (0.016)

**Fire River Gold Corp.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	\$ (32,151)	\$ (27,236)	\$ (114,709)	\$ (51,348)
Non-cash items:				
Foreign exchange (gain) loss	(531)	902	(1,851)	366
Accrued interest	9,200	8,236	18,703	15,176
Operating cash flows before movements in working capital:				
Change in trade and other payables	55,890	18,074	129,827	(16,730)
<b>Cash provided by (used in) operating activities</b>	<b>32,408</b>	<b>(24)</b>	<b>31,970</b>	<b>(52,536)</b>
<b>FINANCING ACTIVITIES</b>				
Shares issued for cash	1,000,000	-	1,000,000	-
Share issuance costs	(42,522)	-	(42,522)	-
<b>Cash provided by financing activities</b>	<b>957,478</b>	<b>-</b>	<b>957,478</b>	<b>-</b>
<b>Change in cash</b>	<b>989,886</b>	<b>(24)</b>	<b>989,448</b>	<b>(52,536)</b>
Cash, beginning of period	1,677	32,177	2,115	84,689
<b>Cash, end of period</b>	<b>\$ 991,563</b>	<b>\$ 32,153</b>	<b>\$ 991,563</b>	<b>\$ 32,153</b>

**Fire River Gold Corp.**  
**Condensed Interim Statements of Changes in Shareholders' Deficit**  
(Unaudited - Expressed in Canadian dollars)

	Note	Number of shares	Common shares	Stock option reserve	Warrant reserve	Deficit	Total
Balances at October 31, 2019		3,161,570	\$ 39,172,995	\$ 3,473,677	\$ 14,555,892	\$ (58,192,052)	\$ (989,488)
Net and comprehensive loss for the period		-	-	-	-	(51,348)	(51,348)
<b>Balances at April 30, 2020</b>		<b>3,161,570</b>	<b>\$ 39,172,995</b>	<b>\$ 3,473,677</b>	<b>\$ 14,555,892</b>	<b>\$ (58,243,400)</b>	<b>\$ (1,040,836)</b>
Balances at October 31, 2020		3,161,570	\$ 39,172,995	\$ 3,473,677	\$ 14,555,892	\$ (58,352,895)	\$ (1,150,331)
Shares issued for cash	6	7,142,855	573,012	-	426,988	-	1,000,000
Share issued costs	6	-	(42,522)	-	-	-	(42,522)
Net and comprehensive loss for the period		-	-	-	-	(114,709)	(114,709)
<b>Balances at April 30, 2021</b>		<b>10,304,425</b>	<b>\$ 39,703,485</b>	<b>\$ 3,473,677</b>	<b>\$ 14,982,880</b>	<b>\$ (58,467,604)</b>	<b>\$ (307,562)</b>

The accompanying notes are an integral part of these condensed interim financial

## **1 CORPORATE INFORMATION**

Fire River Gold Corp. (the “Company”) was incorporated on September 22, 1997 under the laws of the Province of British Columbia and is a mineral exploration company focused on the acquisition, exploration and development of gold, silver and base metal properties. The Company’s shares are listed on the NEX Board of the TSX Venture Exchange (“Exchange”). Its head office is located at 400 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future, will be able to realize its assets, discharge its liabilities and commitments in the normal course of business. As of April 30, 2021, the Company had no mining or exploration projects. The Company will require capital to fund operations. The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments could be necessary in the carrying value and classification of assets and liabilities. Such adjustments could be material.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company’s business and financial condition.

## **2 BASIS OF PREPARATION**

### **2.1 Basis of presentation**

The Company’s condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (Note 10) and are presented in Canadian dollars except where otherwise indicated.

These condensed interim financial statements were approved by the board of directors on June 29, 2021.

## 2 BASIS OF PREPARATION (Continued)

### 2.2 Statement of compliance

The condensed interim financial statements of the Company, including comparatives, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements do not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2020.

### 3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company’s condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

### 3.2 New accounting pronouncements not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company’s condensed interim financial statements.

## 4 TRADE AND OTHER PAYABLES

The Company’s trade and other payables are as follows:

	<b>As at April 30, 2021</b>	As at October 31, 2020
Trade payables (Note 11)	\$ 820,830	\$ 681,946
Accrued liabilities	57,224	68,132
<b>Total trade and other payables</b>	<b>\$ 878,054</b>	<b>\$ 750,078</b>

Included in trade and other payables are amounts due to related parties which are disclosed in Note 11.

## 5 LOANS PAYABLE

During the year ended October 31, 2019, the Company owed \$300,000 (2018: \$300,000) to non-related parties. The promissory notes bear interest at the rate of 10% per annum and compounding annually (Note 7). The promissory notes were due and payable on or before April 19, 2019. As at April 30, 2021, the balance outstanding including accrued interest of \$400,311 (October 31, 2020: \$382,310) is in default.

During the year ended October 31, 2020, the Company received loan of \$20,000 from a non-related party. The loan bears interest at the rate of 7% per annum (Note 7) and due and payable on or before October 16, 2021. As at April 30, 2021, the balance outstanding including accrued interest is \$20,760 (October 31, 2020: \$20,058).

## 6 SHARE CAPITAL

### 6.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value. At April 30, 2021, the Company had 10,304,425 common shares outstanding (October 31, 2020: 3,161,570).

### 6.2 Share issuances

On March 11, 2021, the Company closed a non-brokered private placement, consisting of 7,142,855 units at a price of \$0.14 per unit for total proceeds of \$1,000,000. Each unit comprise of one common share and one common share purchase warrant of the Company. Each warrant will be exercisable into one common share of the Company at an exercise price of \$0.185 with a 12-month expiry. In connection with this issuance, the Company incurred \$42,522 share issuance costs.

No shares were issued during the year ended October 31, 2020.

### 6.3 Share purchase warrants

The Company's share purchase warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, October 31, 2019 and 2020	-	\$ -
Issued	7,142,855	0.185
<b>Balance, April 30, 2021</b>	<b>7,142,855</b>	<b>0.185</b>

The following summarizes information about share purchase warrants outstanding and exercisable as at April 30, 2021:

Expiry date	Outstanding and exercisable	Exercise price	Weighted average remaining contractual life, in years
March 11, 2022	7,142,855	\$ 0.185	0.86



## **6 SHARE CAPITAL (Continued)**

### **6.3 Share purchase warrants (continued)**

In connection with shares issuance on March 11, 2021, pursuant to a non-brokered private placement, the Company issued 7,142,855 share purchase warrants with a fair value of \$426,988. Each warrant will be exercisable into one common share of the Company at an exercise price of \$0.185 until March 11, 2022. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 0.26%, expected life of 1 year, volatility of 208% and no expected dividends. The fair value is recorded under warrants reserve.

There were no share purchase warrants issued and outstanding during the year ended October 31, 2020.

### **6.4 Stock options**

The Company established a share purchase option plan whereby the Board may from time to time grant stock options to directors, officers, employees or consultants up to 1,030,443 shares at any time. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option will be set by the Board of Directors at the time such option is granted and cannot be less than the closing market price on the Exchange on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

There were no stock options issued and outstanding during the six months ended April 30, 2021 and year ended October 31, 2020.

### **6.5 Reserves**

#### **Stock option reserve**

The stock option reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

#### **Warrant reserve**

The warrant reserve records the fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

## 7 ADMINISTRATION EXPENSES

The administration expenses for the Company are broken down as follows:

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
Accounting	\$ 628	\$ 1,012	\$ 628	\$ 1,012
Consulting (Note 11)	15,750	15,750	31,500	31,500
Filing fees	11,961	1,312	17,310	2,625
Interest expense (Note 5)	9,200	8,236	18,703	15,176
Bank charges	51	24	69	36
Office expenses	2,113	-	7,025	-
Legal expenses	(6,861)	-	41,023	-
<b>Total administration expenses</b>	<b>\$ 32,842</b>	<b>\$ 26,334</b>	<b>\$ 116,258</b>	<b>\$ 50,349</b>

## 8 LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
Net loss for the period	\$ (32,151)	\$ (27,236)	\$ (114,709)	\$ (51,348)
Weighted average number of shares - basic and diluted	7,174,410	3,161,570	5,134,734	3,161,570
<b>Loss per share, basic and diluted</b>	<b>\$ (0.004)</b>	<b>\$ (0.009)</b>	<b>\$ (0.022)</b>	<b>\$ (0.016)</b>

## 9 CAPITAL MANAGEMENT

The Company's objectives are to safeguard its ability to continue as a going concern in order to support its normal operating requirements. The Company is dependent on external financing to fund its activities. In order to pay for general administration costs, the Company will issue shares or debt. The Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available. As at April 30, 2021, the Company's capital structure consists of the equity of the Company (Note 6). The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management.

## 10 FINANCIAL INSTRUMENTS

### 10.1 Categories of financial instruments

	As at April 30, 2021	As at October 31, 2020
<b>FINANCIAL ASSETS</b>		
<b>Amortized cost</b>		
Cash	\$ 991,563	\$ 2,115
<b>Total financial assets</b>	<b>\$ 991,563</b>	<b>\$ 2,115</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade and other payables	\$ 878,054	\$ 750,078
Loans payable	421,071	402,368
<b>Total financial liabilities</b>	<b>\$ 1,299,125</b>	<b>\$ 1,152,446</b>

### 10.2 Fair value

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

There were no transfers between Level 1 and 2 during the six months ended April 30, 2021 and year ended October 31, 2020. Cash is measured using Level 1 inputs.

### 10.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

## 10 FINANCIAL INSTRUMENTS (Continued)

### 10.3 Management of financial risks (continued)

#### Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company's cash is held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management determines credit risk to be low.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Liquidity risk is assessed as high.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate of the loans payable is fixed. Therefore, the Company's exposure to interest rate risk is minimal.

#### Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

## 11 RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management for the three and six months ended April 30, 2021 and 2020 are as follows:

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
Consulting fees (Note 7)	\$ -	\$ 15,750	\$ 5,250	\$ 31,500

Included in trade and other payables is \$197,135 (October 31, 2020: \$136,500) owing to companies controlled by a former officer and director of the Company (Note 4). The amounts payable to related parties are non-interest bearing, unsecured and with no fixed terms of repayment.

## **12 PROPOSED BUSINESS COMBINATION**

On April 1, 2021, the Company entered into a definitive agreement with Yummy Bear Goods Inc. (“Yummy Bear”), whereby the Company will purchase all of the issued and outstanding shares of Yummy Bear in exchange for 22,000,000 common shares of the Company. The transaction will be affected by way of a statutory amalgamation between Yummy Bear and a newly formed wholly owned subsidiary of the Company and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000, the terms of which will be announced prior to closing of the Transaction.

Yummy Bear is a health-conscious low sugar alternative confectionary company based in Vancouver BC and has developed a portfolio of healthy vegan, low sugar and sugar alcohol free candies made from natural ingredients with proprietary recipes. All of its products are free of soy, gluten, nuts, sugar alcohols and genetically modified organisms.

As at June 29, 2021, the transaction was not yet completed.

**SCHEDULE “B”**

**FIRE RIVER MD&A**



**MANAGEMENT DISCUSSION AND ANALYSIS FOR  
FIRE RIVER GOLD CORP.**

**FOR THE YEAR ENDED OCTOBER 31, 2020**

The following discussion and analysis is Management’s assessment of the results and financial condition of Fire River Gold Corp. (the “Company” or “Fire River” or “FAU”) for the year ended October 31, 2020 and should be read in conjunction with the audited financial statements and the related notes. The date of this Management Discussion and Analysis is March 1, 2021.

Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**FORWARD-LOOKING STATEMENTS**

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

**BUSINESS OF FIRE RIVER GOLD CORP.**

During this year, the Company was not actively involved in any mining projects or exploration. The Company may be regarded as dormant until Company management secures financing.

The major impact to the Company occurred in the previous fiscal years as follows: Effective October 7, 2013, Waterton Global Value, L.P. (“Waterton”) has taken full and unrestricted control of the Nixon Fork Gold Mine and Mystery Creek Resources, Inc. (“MCRI”), the U.S. corporation that owns the mine. This action was a result of the default by Fire River on the terms of the Credit Agreement with Waterton. Fire River has delivered all rights, debts, properties and obligations of MCRI to Waterton and Waterton accepted such as full and final satisfaction of the indebtedness due to Waterton under the Credit Agreement. As part of the final

Settlement Agreement, Waterton also agreed to pay to Fire River approximately C\$250,000 incash and other obligations. During the year ended October 31, 2015, the Company applied \$11,268 of note payable against the receivable from Waterton and recovered \$18,300 in cash from Waterton. The remainingbalance of the receivable was written-off resulting in a \$25,432 charge to statement of comprehensive loss.

## **GOING CONCERN**

As of October 31, 2020, the Company had no mining or exploration projects. The cease trade orders received by the Company from the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission were revoked in January 2015. Trading in the Company's common stock has been reinstated. The share consolidation at 100:1 was approved on February 24, 2015 by the NEX and the Company enacted the consolidation and shareholders have been notified of their post-consolidation share quantities. The Company has minimal cash and will not be in a position to continue operating without a cash infusion. Company management is actively pursuing opportunities that will provide the necessary cash infusion. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

## **PROPERTIES**

The Company has no mining or exploration properties as of October 31, 2020.

## **MANAGEMENT CHANGES**

Subsequent to the year ended October 31, 2020, the Company appointed David Bentil and Sue He to the Board of the Company. Mr. Bentil is also appointed as chief executive officer and Ms. He is appointed as chief financial officer of the Company. On the same day, Anthony Jackson resigned as chief executive officer and director of the Company and Tarra Haddad resigned as chief financial officer and director of the Company.

## SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	For the year ended October 31, 2020	For the year ended October 31, 2019	For the year ended October 31, 2018
(in thousands)	\$	\$	\$
Administrative expenses	161	194	223
Net loss for the year	(161)	(193)	(223)
Net comprehensive loss	(161)	(193)	(223)
Loss per share - basic and diluted	(0.051)	(0.061)	(0.070)
Total assets	2	85	301
Total long-term liabilities	-	-	-

### Results of Operations for the Year

For the year ended October 31, 2020: Administration expenses - administration expenses decreased by \$33,266 from the year ended October 31, 2019. The decrease is mainly due to lower consulting fees incurred during the year. The Company management is actively pursuing opportunities that will provide the necessary cash infusion. Exploration and Evaluation - there was no exploration and evaluation activity in the fiscal years 2020 and 2019 as the Company had no projects.

### Quarterly comparison data (in thousands except loss per share):

	Oct 31, 2020	Jul 31, 2020	Apr 30, 2020	Jan 31, 2020	Oct 31, 2019	Jul 31, 2019	Apr 30, 2019	Jan 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(71)	(38)	(27)	(24)	(36)	(60)	(39)	(58)
Loss per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)
Total assets	2	32	32	32	85	86	267	284

### Results of Operations for the Eight Quarters

For the quarter ended October 31, 2020: The net expenditures of \$71,195 for the three months were for the administrative matters. This includes \$30,450 of consulting, \$10,000 of accounting fees, \$4,458 of filing fees, \$9,207 of interest expense, \$19 of bank charges, \$11,981 of office expense, \$5,080 of legal expense and \$137 of foreign exchange gain. Increase of \$34,456 in net expenditures to \$71,195 for the quarter ended October 31, 2020 from \$36,602 comparing to the same period of the previous year is mainly due to increase in consulting fees, filing fees and office expense.

For the quarter ended July 31, 2020: The net expenditures of \$38,437 for the three months were for the administrative matters. This includes \$445 of annual general meeting, \$15,750 of consulting fees, \$1,312 of filing fees, \$9,150 of interest expense, \$18 of bank charges recovery, \$12,488 of office expense and foreign exchange gain of \$690. Decrease of \$20,344 in net expenditures to \$38,437 for the quarter ended July 31, 2020 from \$59,781 comparing to the same period in the previous year is mainly due to decrease in office expense and filing fees, partially offset by increase in interest expense.

For the quarter ended April 30, 2020: The net expenditures of \$27,236 for the three months were for the administrative matters. This includes \$15,750 of consulting fees, \$1,312 of filing fees, \$1,012 of accounting fees, \$24 of bank charges, \$8,236 of interest expense and \$902 of foreign exchange loss. Decrease of \$11,791 in net expenditures to \$27,236 for the quarter ended April 30, 2020 from \$39,027 comparing to



the same period in the previous year is mainly due to decrease in consulting fees, accounting fees and filing fees, partially offset by increase in interest expense.

For the quarter ended January 31, 2020: The net expenditures of \$24,112 for the three months were for the administrative matters. This includes \$15,750 of consulting fees, \$1,313 of filing fees, \$12 of bank charges, \$6,940 of interest expense and \$97 of foreign exchange loss. Decrease of \$33,782 in net expenditures to \$24,112 for the quarter ended January 31, 2020 from \$57,894 comparing to the same period in the previous year is mainly due to decrease in consulting fees and no office expenses incurred during the current period.

For the quarter ended October 31, 2019: The net expenditures of \$36,602 for the three months were for the administrative matters. This includes \$15,750 of consulting and director fees, \$9,616 of accounting fees, \$2,625 of filing fees, \$19 of bank charges, \$8,576 of interest expense and \$16 of foreign exchange loss. Decrease of \$40,868 in the net expenditures to \$36,602 for the quarter ended October 31, 2019 from \$77,470 comparing to the same period of the previous year is mainly due to decrease in consulting and director fees, filing fees and interest expense, partially offset by increase in accounting fees.

For the quarter ended July 31, 2019: The net expenditures of \$59,781 for the three months were for the administrative matters. This includes \$16,250 of consulting and director fees, \$3,211 of filing fees, \$18 of bank charges, \$31,670 of office expenses, \$632 of travel, \$8,366 of interest expense and \$366 of foreign exchange gain. Increase of \$3,391 in net expenditures to \$59,781 for the quarter ended July 31, 2019 from \$56,390 comparing to the same period of the previous year is mainly due to increase in filing fees, office expenses, and interest expense, partially offset by decreases in consulting and director fees and accounting fees.

For the quarter ended April 30, 2019: The net expenditures of \$39,027 for the three months were for the administrative matters. This includes \$24,700 of consulting and director fees, \$1,427 of accounting fees, \$4,316 of filing fees, \$7,900 of interest expense, \$43 of bank charges, \$269 of office expenses, and \$372 foreign exchange loss. Decrease of \$9,545 in net expenditures to \$39,027 for the quarter ended April 30, 2019 from \$48,572 comparing to the same period of the previous year is mainly due to decrease in consulting and director fees partially offset by increases in filing fees and interest expense.

For the quarter ended January 31, 2019: The net expenditures of \$57,894 for the three months were for the administrative matter. This includes \$47,250 of consulting and director fees, \$1,312 of filing fees, \$217 of bank charges, \$7,966 of interest expense, \$1,804 of office expenses and \$655 of foreign exchange gain. Increase of \$17,758 in net expenditures to \$57,894 for the quarter ended January 31, 2019 from \$40,136 comparing to the same period from the previous year is mainly due to increases in interest expense and office expenses.

Activity in the Company continues to be at a minimum until a cash infusion can be made or a project is found for the Company.

## **LIQUIDITY AND CAPITAL RESOURCES**

Working capital, defined as current assets minus current liabilities, at October 31, 2020 was a deficit of \$1,150,331 (2019: \$989,488). As at October 31, 2020, the Company had a cash balance of \$2,115 compared to \$84,689 as at October 31, 2019.

During the year ended October 31, 2020, net cash used in operating activities was \$102,574 (2019: \$215,937) comprising a loss of \$160,843 (2019: \$193,304), foreign exchange gain of \$172 (2019: \$633), accrued interest of \$33,533 (2019: \$32,808), and an increase in trade and other payables of \$24,564 (2019: decrease of \$54,808).

During the year ended October 31, 2020, net cash provided by financing activity was \$20,000 (2019: \$Nil). Net cash provided by financing activity during the year was mainly attributed from proceeds from loan.

There was no investing activity during the years ended October 31, 2020 and 2019.

The Company will need additional funds in order to maintain working capital and operational requirements over the next twelve months.

## **OUTSTANDING SHARE AND OPTION DATA**

### **Authorized share capital**

The Company has authorized an unlimited number of common shares with no par value. As at March 1, 2021 (the date of this MD&A), the Company had 3,161,570 common shares outstanding (October 31, 2020: 3,161,570).

### **Share issuances**

No new shares were issued during the years ended October 31, 2020 and 2019. No new shares have been issued from October 31, 2020 to the date of this MD&A.

### **Share purchase warrants**

There were no share purchase warrants issued and outstanding as at October 31, 2020 and as at the date of this MD&A.

### **Stock options**

The Company has established a share purchase option plan whereby the Board may from time to time grant stock options to directors, officers, employees or consultants up to 102,442 shares at any time. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option will be set by the Board of Directors at the time such option is granted and cannot be less than the closing market price on the NEX on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

There were no stock options issued and outstanding as at October 31, 2020 and as at the date of this MD&A.

## **RELATED PARTY TRANSACTIONS**

The remuneration of directors and other members of key management for the years ended October 31, 2020 and 2019 are as follows:

	<b>Years ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
Consulting fees	\$ 77,700	\$ 63,000

Included in trade and other payables is \$136,500 (2019: \$126,000) owing to companies controlled by an officer and director of the Company that resigned subsequent to the year ended October 31, 2020. The amounts payable to related parties are non-interest bearing, unsecured and with no fixed terms of

repayment.

## **SUBSEQUENT EVENT**

On November 27, 2020, the Company appointed David Bentil and Sue He to the Board of the Company. Mr. Bentil is also appointed as chief executive officer and Ms. He is appointed as chief financial officer of the Company. On the same day, Anthony Jackson resigned as chief executive officer and director of the Company and Tarra Haddad resigned as chief financial officer and director of the Company.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these financial statements include, amongst other things, determination of fair value on taxes and share compensation. These estimates are reviewed periodically (at least annually), and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 of the financial statements for the year ended October 31, 2020.

## **IFRS ACCOUNTING POLICIES**

The Company's audited financial statements at October 31, 2020 have been prepared in accordance with IFRS as issued by the IASB.

## **FINANCIAL INSTRUMENTS AND RISK**

The Company's financial instruments consist of cash, trade payables and loans payable. The fair value of these financial instruments approximates their carrying value unless otherwise noted.

	<b>As at October 31, 2020</b>	As at October 31,
	\$	2019
		\$
<b>FINANCIAL ASSETS</b>		
<b>Amortized cost</b>		
Cash	<b>2,115</b>	84,689
<b>Total financial assets</b>	<b>2,115</b>	84,689
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade payables	<b>681,946</b>	658,502
Loans payable	<b>402,368</b>	348,835
<b>Total financial liabilities</b>	<b>1,084,314</b>	1,007,337

### **Fair value**

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

There were no transfers between Level 1 and 2 during the years ended October 31, 2020 and 2019. Cash is measured using Level 1 inputs.

### **Management of financial risks**

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### **a) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company's cash is held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management determines credit risk to be low.

#### **b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Liquidity risk is assessed as high.

#### **c) Currency risk**

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

#### **d) Interest risk**

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate of the loan payable is fixed. Therefore, the Company's exposure to interest rate risk is minimal.

### **RISKS AND UNCERTAINTIES**

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

## **Title Risks**

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

## **Exploration and Development**

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

## **Environmental Regulations, Permits and Licenses**

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal

fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

### **Competition**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

### **Dependence on Key Personnel**

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

### **Future Financings**

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR**

## **FIRE RIVER GOLD CORP.**

**FOR THE SIX MONTHS ENDED APRIL 30, 2021**

The following discussion and analysis is Management's assessment of the results and financial condition of Fire River Gold Corp. (the "Company" or "Fire River" or "FAU") for the six months ended April 30, 2021 and should be read in conjunction with the unaudited condensed interim financial statements and the related notes. The date of this Management Discussion and Analysis is June 29, 2021.

Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS**

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

### **BUSINESS OF FIRE RIVER GOLD CORP.**

During this quarter, the Company was not actively involved in any mining projects or exploration. The Company may be regarded as dormant until Company management secures financing.

The major impact to the Company occurred in the previous fiscal years as follows: Effective October 7, 2013, Waterton Global Value, L.P. ("Waterton") has taken full and unrestricted control of the Nixon Fork Gold Mine and Mystery Creek Resources, Inc. ("MCRI"), the U.S. corporation that owns the mine. This action was a result of the default by Fire River on the terms of the Credit Agreement with Waterton. Fire River has delivered all rights, debts, properties and obligations of MCRI to Waterton and Waterton accepted such as full and final satisfaction of the indebtedness due to Waterton under the Credit Agreement. As part of the final Settlement Agreement, Waterton also agreed to pay to Fire River approximately C\$250,000 in cash and other obligations. During the year ended October 31, 2015, the Company applied \$11,268 of note payable against the receivable from Waterton and recovered \$18,300 in cash from Waterton. The remaining balance of the receivable was written-off resulting in a \$25,432 charge to statement of comprehensive loss.

## GOING CONCERN

As of April 30, 2021, the Company had no mining or exploration projects. The cease trade orders received by the Company from the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission were revoked in January 2015. Trading in the Company's common stock has been reinstated. The share consolidation at 100:1 was approved on February 24, 2015 by the NEX and the Company enacted the consolidation and shareholders have been notified of their post-consolidation share quantities. The Company has minimal cash and will not be in a position to continue operating without a cash infusion. Company management is actively pursuing opportunities that will provide the necessary cash infusion. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

## PROPERTIES

The Company has no mining or exploration properties as of April 30, 2021.

## PROPOSED BUSINESS COMBINATION

On April 1, 2021, the Company entered into a definitive agreement with Yumy Bear Goods Inc. ("Yumy Bear"), whereby the Company will purchase all of the issued and outstanding shares of Yumy Bear in exchange for 22,000,000 common shares of the Company. The transaction will be affected by way of a statutory amalgamation between Yumy Bear and a newly formed wholly owned subsidiary of the Company and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000, the terms of which will be announced prior to closing of the Transaction.

Yumy Bear is a health-conscious low sugar alternative confectionary company based in Vancouver BC and has developed a portfolio of healthy vegan, low sugar and sugar alcohol free candies made from natural ingredients with proprietary recipes. All of its products are free of soy, gluten, nuts, sugar alcohols and genetically modified organisms.

As at June 29, 2021, the transaction was not yet completed.

## MANAGEMENT CHANGES

On November 27, 2020, the Company appointed David Bentil and Sue He to the Board of the Company. Mr. Bentil is also appointed as chief executive officer and Ms. He is appointed as chief financial officer of the Company. On the same day, Anthony Jackson resigned as chief executive officer and director of the Company and Tarra Haddad resigned as chief financial officer and director of the Company.

## SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	For the year ended October 31, 2020	For the year ended October 31, 2019	For the year ended October 31, 2018
(in thousands)	\$	\$	\$



Administrative expenses	161	194	223
Net loss for the year	(161)	(193)	(223)
Net comprehensive loss	(161)	(193)	(223)
Loss per share - basic and diluted	(0.051)	(0.061)	(0.070)
Total assets	2	85	301
Total long-term liabilities	-	-	-

### Results of Operations for the Year

For the year ended October 31, 2020: Administration expenses - administration expenses decreased by \$33,266 from the year ended October 31, 2019. The decrease is mainly due to lower consulting fees incurred during the year. The Company management is actively pursuing opportunities that will provide the necessary cash infusion. Exploration and Evaluation - there was no exploration and evaluation activity in the fiscal years 2020 and 2019 as the Company had no projects.

### Quarterly comparison data (in thousands except loss per share):

	Apr 30, 2021 \$	Jan 31, 2021 \$	Oct 31, 2020 \$	Jul 31, 2020 \$	Apr 30, 2020 \$	Jan 31, 2020 \$	Oct 31, 2019 \$	Jul 31, 2019 \$
Total revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(32)	(83)	(71)	(38)	(27)	(24)	(36)	(60)
Loss per share	(0.00)	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Total assets	992	2	2	32	32	32	85	86

### Results of Operations for the Eight Quarters

For the quarter ended April 30, 2021: The net expenditures of \$32,151 for the three months were for the administrative matters. This includes \$15,750 of consulting fees, \$628 of accounting fees, \$11,961 of filing fees, \$9,200 of interest expense, \$51 of bank charges, \$2,113 of office expenses, \$6,861 of legal expenses recovery and \$691 foreign exchange gain. Increase of \$4,915 in net expenditures to \$32,151 for the quarter ended April 30, 2021 from \$27,236 comparing to the same period of the previous year is mainly due to increase in filing fees and office expenses, partially offset by the recovery of legal expenses.

For the quarter ended January 31, 2021: The net expenditures of \$82,558 for the three months were for the administrative matter. This includes \$15,750 of consulting fees, \$5,349 of filing fees, \$18 of bank charges, \$9,503 of interest expense, \$4,912 of office expenses, \$47,884 of legal expenses and \$858 of foreign exchange gain. Increase of \$58,446 in net expenditures to \$82,558 for the quarter ended January 31, 2021 from \$24,112 comparing to the same period from the previous year is mainly due to increase in legal expenses.

For the quarter ended October 31, 2020: The net expenditures of \$71,195 for the three months were for the administrative matters. This includes \$30,450 of consulting fees, \$10,000 of accounting fees, \$4,458 of filing fees, \$9,207 of interest expense, \$19 of bank charges, \$11,981 of office expense, \$5,080 of legal expense and \$137 of foreign exchange gain. Increase of \$34,456 in net expenditures to \$71,195 for the quarter ended October 31, 2020 from \$36,602 comparing to the same period of the previous year is mainly due to increase in consulting fees, filing fees and office expense.

For the quarter ended July 31, 2020: The net expenditures of \$38,437 for the three months were for the administrative matters. This includes \$445 of annual general meeting, \$15,750 of consulting fees, \$1,312 of filing fees, \$9,150 of interest expense, \$18 of bank charges recovery, \$12,488 of office expense and foreign exchange gain of \$690. Decrease of \$21,344 in net expenditures to \$38,437 for the quarter ended July 31, 2020 from \$59,781 comparing to the same period in the previous year is mainly due to decrease in office expense and filing fees, partially offset by increase in interest expense.

For the quarter ended April 30, 2020: The net expenditures of \$27,236 for the three months were for the administrative matters. This includes \$15,750 of consulting fees, \$1,312 of filing fees, \$1,012 of accounting fees, \$24 of bank charges, \$8,236 of interest expense and \$902 of foreign exchange loss. Decrease of \$11,791 in net expenditures to \$27,236 for the

quarter ended April 30, 2020 from \$39,027 comparing to the same period in the previous year is mainly due to decrease in consulting fees, accounting fees and filing fees, partially offset by increase in interest expense.

For the quarter ended January 31, 2020: The net expenditures of \$24,112 for the three months were for the administrative matters. This includes \$15,750 of consulting fees, \$1,313 of filing fees, \$12 of bank charges, \$6,940 of interest expense and \$97 of foreign exchange loss. Decrease of \$33,782 in net expenditures to \$24,112 for the quarter ended January 31, 2020 from \$57,894 comparing to the same period in the previous year is mainly due to decrease in consulting fees and no office expenses incurred during the current period.

For the quarter ended October 31, 2019: The net expenditures of \$36,602 for the three months were for the administrative matters. This includes \$15,750 of consulting and director fees, \$9,616 of accounting fees, \$2,625 of filing fees, \$19 of bank charges, \$8,576 of interest expense and \$16 of foreign exchange loss. Decrease of \$40,868 in the net expenditures to \$36,602 for the quarter ended October 31, 2019 from \$77,470 comparing to the same period of the previous year is mainly due to decrease in consulting and director fees, filing fees and interest expense, partially offset by increase in accounting fees.

For the quarter ended July 31, 2019: The net expenditures of \$59,781 for the three months were for the administrative matters. This includes \$16,250 of consulting and director fees, \$3,211 of filing fees, \$18 of bank charges, \$31,670 of office expenses, \$632 of travel, \$8,366 of interest expense and \$366 of foreign exchange gain. Increase of \$3,391 in net expenditures to \$59,781 for the quarter ended July 31, 2019 from \$56,390 comparing to the same period of the previous year is mainly due to increase in filing fees, office expenses, and interest expense, partially offset by decreases in consulting and director fees and accounting fees.

Activity in the Company continues to be at a minimum until a cash infusion can be made or a project is found for the Company.

## **LIQUIDITY AND CAPITAL RESOURCES**

Working capital, defined as current assets minus current liabilities, at April 30, 2021 was a deficit of \$307,562 (October 31, 2020: \$1,150,331). As at April 30, 2021, the Company had a cash balance of \$991,563 compared to \$2,115 as at October 31, 2020.

During the six months ended April 30, 2021, net cash provided by operating activities was \$31,970 (2020: cash used in operating activities of \$52,536) comprising a loss of \$114,709 (2020: \$51,348), foreign exchange gain of \$1,851 (2020: loss of \$366), accrued interest of \$18,703 (2020: \$15,176), and an increase in trade and other payables of \$129,827 (2020: decrease of \$16,730).

During the six months ended April 30, 2021, net cash provided by financing activities was \$957,478 (2020: \$Nil) which was attributed to shares issued for cash of \$1,000,000 (2020: \$Nil) and partially offset by share issuance costs of \$42,522 (2020: \$Nil).

There was no investing activity during the six months ended April 30, 2021 and 2020.

The Company will need additional funds in order to maintain working capital and operational requirements over the next twelve months.

## **OUTSTANDING SHARE AND OPTION DATA**

### **Authorized share capital**

The Company has authorized an unlimited number of common shares with no par value. As at June 29, 2021 (the date of this MD&A), the Company had 10,304,425 common shares outstanding (April 30, 2021: 10,304,425).

### **Share issuances**

On March 11, 2021, the Company closed a non-brokered private placement, consisting of 7,142,855 units at a price of \$0.14 per unit for total proceeds of \$1,000,000. Each unit comprise one common share and one common share purchase warrant of the Company. Each warrant will be exercisable into a common share of the Company at an exercise price of \$0.185 with

a 12-month expiry.

No new shares were issued during the year ended October 31, 2020.

### Share purchase warrants

The Company's share purchase warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price \$
Balance, October 31, 2019 and 2020	-	-
Issued	7,142,855	0.185
<b>Balance, April 30, 2021 and June 29, 2021</b>	<b>7,142,855</b>	<b>0.185</b>

The following summarizes information about share purchase warrants outstanding and exercisable as at April 30, 2021:

Expiry date	Outstanding and exercisable	Exercise price	Weighted average remaining contractual life, in years
March 11, 2022	7,142,855	\$ 0.185	0.86

There were 7,142,855 share purchase warrants issued and outstanding as at April 30, 2021 and as at the date of this MD&A.

### Stock options

The Company has established a share purchase option plan whereby the Board may from time to time grant stock options to directors, officers, employees or consultants up to 1,030,443 shares at any time. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option will be set by the Board of Directors at the time such option is granted and cannot be less than the closing market price on the NEX on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

There were no stock options issued and outstanding as at April 30, 2021 and as at the date of this MD&A.

## RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management for the three and six months ended April 30, 2021 and 2020 are as follows:

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
Consulting fees	\$ -	\$ 15,750	\$ 5,250	\$ 31,500

Included in trade and other payables is \$197,135 (October 31, 2020: \$136,500) owing to companies controlled by a former officer and director of the Company. The amounts payable to related parties are non-interest bearing, unsecured and with no fixed terms of repayment.

### SUBSEQUENT EVENT

No subsequent event.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these condensed interim financial statements include, amongst other things, determination of fair value on taxes and share compensation. These estimates are reviewed periodically (at least annually), and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 of the condensed interim financial statements for the six months ended April 30, 2021.

## IFRS ACCOUNTING POLICIES

The Company's unaudited condensed interim financial statements at April 30, 2021 have been prepared in accordance with IFRS as issued by the IASB.

## FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash, trade payables and loans payable. The fair value of these financial instruments approximates their carrying value unless otherwise noted.

	As at April 30, 2021 \$	As at October 31, 2020 \$
<b>FINANCIAL ASSETS</b>		
<b>Amortized cost</b>		
Cash	991,563	2,115
<b>Total financial assets</b>	<b>991,563</b>	<b>2,115</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade and other payables	878,054	750,078
Loans payable	421,071	402,368
<b>Total financial liabilities</b>	<b>1,299,125</b>	<b>1,152,446</b>

### Fair value

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

There were no transfers between Level 1 and 2 during the six months ended April 30, 2021 and year ended October 31, 2020. Cash is measured using Level 1 inputs.

### Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk.

These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**a) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company's cash is held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management determines credit risk to be low.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Liquidity risk is assessed as high.

**c) Currency risk**

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

**d) Interest risk**

Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate of the loan payable is fixed. Therefore, the Company's exposure to interest rate risk is minimal.

## **RISKS AND UNCERTAINTIES**

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

### **Title Risks**

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

### **Exploration and Development**

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

## **Environmental Regulations, Permits and Licenses**

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

## **Competition**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

## **Dependence on Key Personnel**

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

## **Future Financings**

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's condensed interim financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The condensed interim financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the condensed interim financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

**SCHEDULE "C"**

**YUMY BEAR FINANCIAL STATEMENTS**

**Yummy Bear Goods Inc.**

**Financial Statements**

**For the period from September 9, 2020 (date of incorporation) to January 31, 2021 (Expressed  
in Canadian Dollars)**





DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Yumy Bear Goods Inc. .

### Opinion

We have audited the financial statements of Yumy Bear Goods Inc. (the "Company"), which comprise the statement of financial position as at January 31, 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from September 9, 2020 (date of incorporation) to January 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021, and its financial performance and its cash flows for the period from September 9, 2020 (date of incorporation) to January 31, 2021 in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to note 2 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be



DALE MATHESON CARR-HILTON LABONTE LLP  
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expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink, appearing to read 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada April 9,  
2021

**Yummy Bear Goods Inc.**  
**Statement of Financial Position**  
**As at January 31, 2021**  
**(Expressed in Canadian Dollars)**

---

	<b>January 31, 2021</b>	
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$	2,491,298
GST recoverable		11,825
<hr/>		
<b>Total Assets</b>	<b>\$</b>	<b>2,503,123</b>
<hr/>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable (Note 8)	\$	35,502
Subscriptions received (Note 6)		1,900,000
<hr/>		
		<b>1,935,502</b>
<hr/>		
<b>Shareholder's Equity</b>		
Share capital (Note 7)		507,870
Reserve (Note 7)		392,132
Deficit		(332,381)
<hr/>		
<b>Total Shareholder's Equity</b>		<b>567,621</b>
<hr/>		
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$</b>	<b>2,503,123</b>

**Going concern** (Note 2)

Approved by:

"Cassidy McCord" (signed)  
Cassidy McCord, Director

"Erika Williams" (signed)  
Erika Williams, Director

The accompanying notes are an integral part of these financial statements.

**Yummy Bear Goods Inc.****Statement of Loss and Comprehensive Loss**

For the period from September 9, 2020 (date of incorporation) to January 31, 2021

(Expressed in Canadian Dollars)

	<b>For the period from September 9, 2020 (date of incorporation) to January 31, 2021</b>
<b>Operating expenses</b>	
Bank service charge	\$ 85
Consulting fees (Note 8)	100,000
Legal fees	5,000
Office expenses	681
Research and development (Note 8)	226,582
	(332,348)
<b>Other item</b>	
Foreign exchange loss	(33)
	(33)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (332,381)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>15,437,500</b>

The accompanying notes are an integral part of these financial statements.

**Yummy Bear Goods Inc.****Statement of Changes in Shareholders' Equity****For the period from September 9, 2020 (date of incorporation) to January 31, 2021****(Expressed in Canadian Dollars)**

	Share Capital		Reserve	Deficit	Total
	Number	Amount			
<b>Balance, September 9, 2020 (date of incorporation)</b>	-	\$ -	-	-	\$ -
Share issued for cash on incorporation (Note 7)	2,000,000	2		-	2
Shares issued for cash (Note 7)	20,000,000	607,868	392,132	-	1,000,000
Share issuance costs (Note 7)	-	(100,000)	-	-	(100,000)
Net loss for the period	-	-	-	(332,381)	(332,381)
<b>Balance, January 31, 2021</b>	<b>22,000,000</b>	<b>\$ 507,870</b>	<b>\$ 392,132</b>	<b>(332,381)</b>	<b>\$ 567,621</b>

The accompanying notes are an integral part of these financial statements.

**Statement of Cash Flows**  
**For the period from September 9, 2020 (date of incorporation) to January 31, 2021**  
**(Expressed in Canadian Dollars)**

	<b>For the period from September 9, 2020 (date of incorporation) to January 31, 2021</b>	
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$	(332,381)
Change in working capital items:		
GST recoverable		(11,825)
Accounts payable		35,502
Net cash used in operating activities		(308,704)
<b>Financing activities</b>		
Shares issued on incorporation		2
Proceeds from issuance of shares		900,000
Subscriptions received		1,900,000
Net cash provided by financing activities		2,800,002
<b>Change in cash</b>		<b>2,491,298</b>
<b>Cash, beginning of period</b>		<b>-</b>
<b>Cash, end of period</b>	<b>\$</b>	<b>2,491,298</b>

The accompanying notes are an integral part of these financial statements.

## 1. NATURE OF OPERATIONS

Yumy Bear Goods Inc. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on September 9, 2020 as Yumy Bear Goods Inc. The Company is a food manufacturer that provides healthy vegan gummies and treats. The address of its head office is 2404-838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1C8.

## 2. GOING CONCERN

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred net losses since inception and as at January 31, 2021 has a deficit of \$332,381. The Company’s continuation as a going concern is dependent upon its ability to develop and attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares.

These financial statements do not include any adjustments to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 3. BASIS OF PRESENTATION

### (a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements (“IAS 1”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these financial statements are based on International Financial Reporting Standards (“IFRS”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) in effect at January 31, 2021.

These financial statements were approved by the Board of Directors and authorized for issue on April 9, 2021.

### (b) Basis of preparation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company’s functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in Note 4 have been applied consistently to the period presented.

### 3. BASIS OF PRESENTATION (CONTINUED)

#### (c) Significant accounting estimates and judgements

##### Significant estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the measurement of deferred income tax assets and liabilities.

##### Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

##### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Classification (continued)

The following table shows the classification of financial instruments under IFRS 9:

<b>Financial assets/liabilities</b>	<b>New classification IFRS 9</b>
Cash	FVTPL
Trade payable	Amortized cost

Measurement

*Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company has no financial assets classified as FVTOCI.

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's financial assets and liabilities at amortized cost include cash and accounts payable, respectively.

*Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of comprehensive loss in the period in which they arise. The Company has no financial assets and liabilities classified as FVTPL.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Financial instruments (continued)

###### Derecognition

###### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

###### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

##### (b) Cash

Cash is comprised of cash held at major financial institutions and short-term investments which are readily convertible into a known amount of cash.

##### (c) Research and development

Research expenses are expensed in the period in which the costs are incurred. Development costs are capitalized as assets when all the recognition criteria set by IAS 38 - Intangible Assets are met. Development costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

##### (d) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

##### (e) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. The warrant reserve records the fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(g) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

## **5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and accounts payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

### **Fair value**

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company maintained cash at January 31, 2021 in the amount of \$2,491,298, in order to meet short-term business requirements. At January 31, 2021, the Company had accounts payable of \$35,502 and subscriptions received of \$1,900,000. All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as low.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at January 31, 2021, the Company is not exposed to significant market risk.

## **6. SUBSCRIPTIONS RECEIVED**

During the period ended from September 9, 2020 (date of incorporation) to January 31, 2021, the Company received share subscriptions of \$1,900,000 in advance of a private placement that had not closed as at January 31, 2021.

## 7. CAPITAL STOCK

(a) Authorized

Unlimited number of preferred shares and unlimited number of common shares without par value.

(b) Issued and outstanding

On September 9, 2020, the date of incorporation, the Company issued 2,000,000 common shares at a price of \$0.000001.

In October 2020, the Company issued an aggregate of 20,000,000 units at a price of \$0.05 for gross proceeds of \$1,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company for a period of 2 years at an exercise price of \$0.05 per common share. The Company recognized \$607,868 in share capital and \$392,132 in warrant reverse. The Company also incurred share issuance costs of \$100,000 relating to the issued units.

(c) Share purchase warrants

As at January 31, 2021, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Number of Warrants	Exercise Price	Weighted Average remaining in contractual life, in years
October 29, 2022	20,000,000	\$ 0.05	1.72
	20,000,000		

On October 29, 2020, the Company issued 20,000,000 share purchase warrants with a fair value of \$392,132 pursuant to a private placement using Black-Sholes Option Pricing Model. Each warrant was exercisable into a common share of the Company for a period of 2 years at an exercise price of \$0.05.

The fair value of the warrants issued were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	October 29, 2020
Estimated risk-free rate	0.21%
Expected volatility	130.63%
Estimated annual dividend yield	0.00%
Expected life of warrants	2 years
Share price at issue date	\$0.05
Forfeiture rate	0.00%

The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

## 7. CAPITAL STOCK (continued)

Share purchase warrants outstanding as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at September 9, 2020 (date of incorporation)	-	\$ -
Issued	20,000,000	0.05
Outstanding as at January 31, 2021	20,000,000	\$ 0.05

## 8. RELATED PARTY TRANSACTIONS

During the period from September 9, 2020 (date of incorporation) to January 31, 2021, the Company incurred the following transactions with key management personnel, not disclosed elsewhere in these financial statements:

- Consulting fees of \$50,000 to a company controlled by a director of the Company.
- Research and development costs of \$25,000 to a director of the Company.

As at January 31, 2021, the Company had \$25,000 owing to the directors of the Company, which is included in the accounts payable. The amounts due to related parties are non-interest bearing, unsecured and had no fixed terms of repayment.

The above transaction was incurred in the normal course of operations and was carried out under normal market terms as agreed to by the related parties.

## 9. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2021
Net loss for the period	(332,381)
Statutory income tax rate	27%
Income tax benefit computed at statutory tax rate	(89,743)
Share issuance cost not recognized	(27,000)
Change in valuation allowance	116,743
Income tax expense	-

As at January 31, 2021, the Company had non-capital losses carried forward of approximately \$332,381 which may be utilized to reduce future years' taxable income and expire through to 2039 if not utilized.

Deferred income tax assets have not been recognized in respect of these items because it is not probable that the Company will be able to generate sufficient taxable income upon which these deferred tax assets can be realized.

#### **10. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company considers the items included in shareholders' equity as capital. The Company's primary source of capital comes from the issuance of capital stock.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long-term but recognizes there will be risks involved that may be beyond its control. There were no changes to the Company's capital management approach during the period ended from September 9, 2020 (date of incorporation) to January 31, 2021.

#### **11. SUBSEQUENT EVENT**

On April 1, 2021, the Company entered into a definitive agreement with Fire River Gold Corp. ("Fire River"), whereby Fire River will purchase all of the issued and outstanding shares of the Company in exchange for 22,000,000 common shares of Fire River. The Transaction will be effected by way of a statutory amalgamation between the Company and a newly formed wholly owned subsidiary of Fire River and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000 the terms of which will be announced prior to closing of the Transaction. As at April 9, 2021, the Transaction was not yet completed.

**Yummy Bear Goods Inc.**

**Condensed Interim Financial Statements**

**For the three months ended April 30, 2021 and period from September 9, 2020 (date of incorporation) to January 31, 2021**

**(Unaudited – Expressed in Canadian Dollars)**



## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management and have been approved by the board of directors.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**Yummy Bear Goods Inc.**  
**Condensed Interim Statement of Financial Position**  
**As at**  
**(Expressed in Canadian Dollars)**

	<b>April 30, 2021</b>	<b>January 31, 2021</b>
	(Unaudited)	(Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,599,020	\$ 2,491,298
GST receivable	9,913	11,825
Inventory (Note 6)	11,995	-
Prepaid expenses	36,353	-
<b>Total Assets</b>	<b>\$ 2,657,281</b>	<b>\$ 2,503,123</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable (Notes 7, 9)	\$ 231,815	\$ 35,502
Subscriptions received (Note 8)	2,030,000	1,900,000
	<b>2,261,815</b>	<b>1,935,502</b>
<b>Shareholder's Equity</b>		
Share capital (Note 8)	507,870	507,870
Reserve (Note 8)	392,132	392,132
Deficit	(504,536)	(332,381)
<b>Total Shareholder's Equity</b>	<b>395,466</b>	<b>567,621</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 2,657,281</b>	<b>\$ 2,503,123</b>

**Going concern** (Note 2)

Approved by:

"Cassidy McCord" (signed)  
Cassidy McCord, Director

"Erika Williams" (signed)  
Erika Williams, Director

The accompanying notes are an integral part of these condensed interim financial statements.

**Yummy Bear Goods Inc.****Condensed Interim Statement of Loss and Comprehensive Loss****For the three months ended April 30, 2021 and period from September 9, 2020 (date of incorporation) to January 31, 2021****(Unaudited - Expressed in Canadian Dollars)**

	<b>For the three months ended April 30, 2021</b>	<b>For the period from September 9, 2020 (date of incorporation) to January 31, 2021</b>
<b>Revenue</b>	\$ 24,059	\$ -
<b>Cost of sales</b> (Note 6)	(9,173)	-
<b>Gross profit</b>	14,886	-
<b>Operating expenses</b>		
Bank service charges	1,913	85
Consulting fees (Note 9)	41,500	100,000
General and administration	3,528	681
Legal fees	8,796	5,000
Management fees (Note 9)	18,000	-
Research and development (Note 9)	98,281	226,582
Sales and marketing	14,685	-
	(186,703)	(332,348)
<b>Operating loss</b>	<b>(171,817)</b>	<b>(332,348)</b>
<b>Other item</b>		
Foreign exchange loss	(338)	(33)
	(338)	(33)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (172,155)</b>	<b>\$ (332,381)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>22,000,000</b>	<b>15,437,500</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**Yummy Bear Goods Inc.****Condensed Interim Statement of Changes in Shareholders' Equity****For the three months ended April 30, 2021 and period from September 9, 2020 (date of incorporation) to January 31, 2021****(Unaudited - Expressed in Canadian Dollars)**

	Share Capital		Reserve	Deficit	Total
	Number	Amount			
<b>Balance, September 9, 2020 (date of incorporation)</b>	-	\$ -	-	\$ -	-
Share issued for cash on incorporation (Note 8)	2,000,000	2		-	2
Shares issued for cash (Note 8)	20,000,000	607,868	392,132	-	1,000,000
Share issuance costs (Note 8)	-	(100,000)	-	-	(100,000)
Net loss for the period	-	-	-	(332,381)	(332,381)
<b>Balance, January 31, 2021</b>	<b>22,000,000</b>	<b>\$ 507,870</b>	<b>392,132</b>	<b>\$ (332,381)</b>	<b>567,621</b>
Net loss for the period	-	-	-	(172,155)	(172,155)
<b>Balance, April 30, 2021</b>	<b>22,000,000</b>	<b>\$ 507,870</b>	<b>392,132</b>	<b>\$ (504,536)</b>	<b>395,466</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**Condensed Interim Statement of Cash Flows**  
**For the three months ended April 30, 2021 and period from September 9, 2020 (date of**  
**incorporation) to January 31, 2021**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>For the three months ended April 30, 2021</b>	<b>For the period from September 9, 2020 (date of incorporation) to January 31, 2021</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (172,155)	\$ (332,381)
Change in working capital items:		
Amounts receivable	1,912	(11,825)
Inventory	(11,995)	-
Prepaid expenses	(36,353)	-
Accounts payable	196,313	35,502
Net cash used in operating activities	(22,278)	(308,704)
<b>Financing activities</b>		
Shares issued on incorporation	-	2
Proceeds from issuance of shares	-	900,000
Subscription received	130,000	1,900,000
Net cash provided by financing activities	130,000	2,800,002
<b>Change in cash</b>	<b>107,722</b>	<b>2,491,298</b>
<b>Cash, beginning of period</b>	<b>2,491,298</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 2,599,020</b>	<b>\$ 2,491,298</b>

The accompanying notes are an integral part of these condensed interim financial statements.

## 6. NATURE OF OPERATIONS

Yummy Bear Goods Inc. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on September 9, 2020 as Yummy Bear Goods Inc. The Company is a food manufacturer that provides healthy vegan gummies and treats. The address of its head office is 2404-838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1C8.

## 7. GOING CONCERN

These condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred net losses since inception and as at April 30, 2021 has a deficit of \$504,536. The Company’s continuation as a going concern is dependent upon its ability to develop and attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares.

These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 8. BASIS OF PRESENTATION

### (a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements do not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

### (b) Basis of preparation

The condensed interim financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. These condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in Note 4 have been applied consistently to the period presented.

### 3. BASIS OF PRESENTATION (CONTINUED)

#### (c) Significant accounting estimates and judgements

##### Significant estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the measurement of deferred income tax assets and liabilities.

##### Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

### 9. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

##### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Financial instruments (continued)

###### Classification (continued)

The following table shows the classification of financial instruments under IFRS 9:

<b>Financial assets/liabilities</b>	<b>New classification IFRS 9</b>
Cash	FVTPL
Amounts receivable	Amortized cost
Trade payable	Amortized cost

###### Measurement

###### *Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company has no financial assets classified as FVTOCI.

###### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's financial assets and liabilities at amortized cost include amounts receivable and accounts payable, respectively.

###### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of comprehensive loss in the period in which they arise. The Company has no financial assets and liabilities classified as FVTPL.

###### Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Financial instruments (continued)

###### Derecognition

###### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

###### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

##### (h) Cash

Cash is comprised of cash held at major financial institutions and short-term investments which are readily convertible into a known amount of cash.

##### (i) Research and development

Research expenses are expensed in the period in which the costs are incurred. Development costs are capitalized as assets when all the recognition criteria set by IAS 38 - Intangible Assets are met. Development costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

##### (j) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

##### (k) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (l) Inventory

Inventory is carried at the lower of cost and net realizable value, which requires the Company to utilize estimates related to fluctuations in future retail prices, seasonality and costs necessary to sell the inventory, including the cost of ingredients, direct labor, and applicable overhead. The Company's inventory is comprised of gummies and finished goods.

##### (m) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. The warrant reserve records the fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

##### (n) Income taxes

###### Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

## 10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable and accounts payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

### Fair value

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company maintained cash at April 30, 2021 in the amount of \$2,599,020 (January 31, 2021 - \$2,491,298), in order to meet short-term business requirements. At April 30, 2021, the Company had accounts payable of \$231,815 (January 31, 2021 - \$35,502) and subscriptions received of \$2,030,000 (January 31, 2021 - \$1,900,000). All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as low.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at April 30, 2021, the Company is not exposed to significant market risk.

**8. INVENTORY**

		<b>April 30, 2021</b>		<b>January 31, 2021</b>
Beginning	\$	-	\$	-
Purchases		21,168		-
Cost of sales		(9,173)		-
<b>Ending</b>	<b>\$</b>	<b>11,995</b>	<b>\$</b>	<b>-</b>

**9. ACCOUNTS PAYABLE**

		<b>April 30, 2021</b>		<b>January 31, 2021</b>
Trade payables (Note 10)	\$	204,337	\$	35,502
Credit card payable		618		-
Payroll liabilities		700		-
Customer deposits		26,160		-
	<b>\$</b>	<b>231,815</b>	<b>\$</b>	<b>35,502</b>

**10. CAPITAL STOCK****(d) Authorized**

Unlimited number of preferred shares and unlimited number of common shares without par value.

**(e) Issued and outstanding**

On September 9, 2020, the date of incorporation, the Company issued 2,000,000 common shares at a price of \$0.000001.

In October 2020, the Company issued an aggregate of 20,000,000 units at a price of \$0.05 for gross proceeds of \$1,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company for a period of 2 years at an exercise price of \$0.05 per common share. The Company recognized \$607,868 in share capital and \$392,132 in warrant reserve. The Company also incurred share issuance costs of \$100,000 relating to the issued units.

There were no shares issued during the three months ended April 30, 2021.

**(f) Shares to be issued**

During the period ended from September 9, 2020 (date of incorporation) to January 31, 2021, the Company received share subscriptions of \$1,900,000 in advance of a private placement that had not closed as at April 30, 2021.

During the three months ended April 30, 2021, the Company received share subscriptions of \$130,000 in advance of a private placement that had not closed as at April 30, 2021.

**8. CAPITAL STOCK (continued)**

(d) Share purchase warrants

As at April 30, 2021, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Number of Warrants	Exercise Price	Weighted Average Remaining in Contractual Life, in Years
October 29, 2022	20,000,000	\$ 0.05	1.50
	20,000,000		

On October 29, 2020, the Company issued 20,000,000 share purchase warrants with a fair value of \$392,132 pursuant to a private placement using Black-Sholes Option Pricing Model. Each warrant was exercisable into a common share of the Company for a period of 2 years at an exercise price of \$0.05.

The fair value of the warrants issued were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	October 29, 2020
Estimated risk-free rate	0.21%
Expected volatility	130.63%
Estimated annual dividend yield	0.00%
Expected life of warrants	2 years
Share price at issue date	\$0.05
Forfeiture rate	0.00%

The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

Share purchase warrants outstanding as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at September 9, 2020 (date of incorporation)	-	\$ -
Issued	20,000,000	0.05
Outstanding as at April 30, 2021 and January 31, 2021	20,000,000	\$ 0.05

## **9. RELATED PARTY TRANSACTIONS**

During the three months ended April 30, 2021 and period from September 9, 2020 (date of incorporation) to January 31, 2021, the Company incurred the following transactions with key management personnel, not disclosed elsewhere in these condensed interim financial statements:

- Consulting fees of \$11,500 (period from September 9, 2020 (date of incorporation) to January 31, 2021 - \$50,000) to a company controlled by a director of the Company.
- Management fees of \$18,000 (period from September 9, 2020 (date of incorporation) to January 31, 2021 - \$Nil) to a company controlled by a director of the Company.
- Research and development costs of \$13,500 (period from September 9, 2020 (date of incorporation) to January 31, 2021 - \$25,000) to a director of the Company.

As at April 30, 2021, the Company had \$72,409 (January 31, 2021 - \$25,000) owing to the directors of the Company, which is included in the accounts payable (Note 8). The amounts due to related parties are non-interest bearing, unsecured and had no fixed terms of repayment.

The above transactions were incurred in the normal course of operations and was carried out under normal market terms as agreed to by the related parties.

## **10. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company considers the items included in shareholders' equity as capital. The Company's primary source of capital comes from the issuance of capital stock.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long-term but recognizes there will be risks involved that may be beyond its control. There were no changes to the Company's capital management approach during the three months ended April 30, 2021.

## **11. REVERSE TAKEOVER**

On April 1, 2021, the Company entered into a definitive agreement with Fire River Gold Corp. ("Fire River"), whereby Fire River will purchase all of the issued and outstanding shares of the Company in exchange for 22,000,000 common shares of Fire River. The Transaction will be effected by way of a statutory amalgamation between the Company and a newly formed wholly owned subsidiary of Fire River and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000 the terms of which will be announced prior to closing of the Transaction. As at May 31, 2021, the Transaction was not yet completed.

## **SCHEDULE “D”**

### **YUMY BEAR MD&A**

#### **YUMY BEAR GOODS INC.**

##### **Management Discussion and Analysis**

**For the period from September 9, 2020 (date of incorporation) to January 31, 2021**

MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”) AS OF JANUARY 31, 2021 TO ACCOMPANY THE AUDITED FINANCIAL STATEMENTS OF YUMY BEAR GOODS INC. (THE “COMPANY” OR “YUMY”) FOR THE PERIOD FROM SEPTEMBER 9, 2020 (DATE OF INCORPORATION) TO JANUARY 31, 2021

The MD&A is dated April 9, 2021.

The following MD&A should be read in conjunction with the audited financial statements of the Company for the period from September 9, 2020 (date of incorporation) to January 31, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and the notes thereto. Unless otherwise noted, all currency amounts are in Canadian dollars.

Management is responsible for the information contained in the MD&A and its consistency with information presented, reviewed and approved by the Audit Committee and Board of Directors.

#### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “designed”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

#### **DESCRIPTION OF BUSINESS**

Yumy Bear Goods Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on September 9, 2020 as Yumy Bear Goods Inc.

The Company is a food manufacturer that provides healthy vegan gummies and treats. The address of its head office is 2404-838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1C8.

## SUMMARY OF FINANCIAL RESULTS

	<b>For the period from September 9, 2020 (date of incorporation) to January 31, 2021</b>
	\$
Revenue	Nil
Cost of Sales	Nil
Net Loss	(332,381)
Basic and Diluted Loss Per Share	(0.02)
Total Assets	2,503,123
Total Liabilities	1,935,502
Long-Term Debt	Nil
Dividends	Nil

## OPERATIONS

### Period from September 9, 2020 (date of incorporation) to January 31, 2021

During the period from September 9, 2020 (date of incorporation) to January 31, 2021, the Company reported a net loss of 332,381. The Company incurred \$226,582 in research and development, \$100,000 in consulting fees, \$5,000 in legal fees, \$681 in office expenses, \$85 in bank service charges, and \$33 in foreign exchange loss. Since the Company earned no revenue, losses are expected to continue.

## LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2021, the Company had working capital of 567,621, inclusive of cash of \$2,491,298.

Cash used in operating activities was \$308,704 for the period from September 9, 2020 (date of incorporation) to January 31, 2021.

Cash provided by financing activities was \$2,800,002 for the period from September 9, 2020 (date of incorporation) to January 31, 2021, which was attributable to the proceeds from issuance of shares.

There were no cash flows from investing activities for the period from September 9, 2020 (date of incorporation) to January 31, 2021.

The Company had cash of \$2,491,298 at January 31, 2021, but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

## SHARE CAPITAL

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares without par value.

On September 9, 2020, the date of incorporation, the Company issued 2,000,000 common shares at a price of \$0.000001.



In October 2020, the Company issued an aggregate of 20,000,000 units at a price of \$0.05 for gross proceeds of \$1,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company for a period of 2 years at an exercise price of \$0.05 per common share. The Company recognized \$607,868 in share capital and \$392,132 in warrant reverse using Black-Sholes Option Pricing Model. The Company also incurred share issuance costs of \$100,000 relating to the issued units.

The fair value of the warrants issued were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	October 29, 2020
Estimated risk-free rate	0.21%
Expected volatility	130.63%
Estimated annual dividend yield	0.00%
Expected life of warrants	2 years
Share price at issue date	\$0.05
Forfeiture rate	0.00%

The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

During the period ended from September 9, 2020 (date of incorporation) to January 31, 2021, the Company received share subscriptions of \$1,900,000 in advance of a private placement that was not yet closed as at January 31, 2021.

As at January 31, 2021, the Company has 22,000,000 common shares issued.

As at January 31, 2021, the Company has 20,000,000 share purchase warrants outstanding.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

#### **TRANSACTIONS WITH RELATED PARTIES**

During the period from September 9, 2020 (date of incorporation) to January 31, 2021, the Company incurred the following transactions with key management personnel, not disclosed elsewhere in these financial statements:

- Consulting fees of \$50,000 to a company controlled by a director of the Company.
- Research and development costs of \$25,000 to a director of the Company.

As at January 31, 2021, the Company had \$25,000 owing to the directors of the Company, which is included in the accounts payable. The amounts due to related parties are non-interest bearing, unsecured and had no fixed terms of repayment.

The above transactions were incurred in the normal course of operations and were carried out under normal market terms as agreed to by the related parties.

#### **REVERSE TAKEOVER**

On April 1, 2021, the Company entered into a definitive agreement with Fire River Gold Corp. (“Fire River”), whereby Fire River will purchase all of the issued and outstanding shares of the Company in exchange for 22,000,000 common shares of Fire River. The Transaction will be effected by way of a statutory amalgamation between the Company and a newly formed wholly owned subsidiary of Fire River and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000 the terms of which will be announced prior to closing of the Transaction. As at April 9, 2021, the Transaction was not yet completed.

## **COMMITMENTS**

The Company is not subject to any commitments.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company’s accounting policies are described in Note 4 of the audited financial statements for the period from September 9, 2020 (date of incorporation) to January 31, 2021.

## **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

### **Significant estimates and assumptions**

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include:

#### ***Deferred taxes***

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

#### ***Estimated useful lives and depreciation of intangible assets***

Depreciation of finite-life intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

### **Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company’s financial statements include: the assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

## **RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, amounts due to related party, and accounts payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

### **Fair value**

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

As at April 9, 2021, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity. The Company's financial assets are classified as Level 1.

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At January 31, 2021, the Company had a cash balance of \$2,491,298 and current liabilities of \$1,935,502. All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as high.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at January 31, 2021, the Company is not exposed to significant market risk.

## **SUBSEQUENT EVENT**

On April 1, 2021, the Company entered into a definitive agreement with Fire River Gold Corp. ("Fire River"), whereby Fire River will purchase all of the issued and outstanding shares of the Company in exchange for 22,000,000 common shares of Fire River. The Transaction will be effected by way of a statutory amalgamation between the Company and a newly formed wholly owned subsidiary of Fire River and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000 the terms of which will be announced prior to closing of the Transaction. As at April 9, 2021, the Transaction was not yet completed.

## **BUSINESS RISK AND UNCERTAINTIES**

The following are major risk factors management has identified which relate to the Company's business activities. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

### ***History of Operating Losses***

The Company was incorporated on September 9, 2020 and has yet to generate profit from its activities. The Company has an accumulated deficit since its incorporation through January 31, 2021 of \$332,381. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations as the Company continues its product development and establishes sales channels for its products.

### ***Capitalization and Commercial Viability***

The Company will require additional funds to continue operations. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the curtailment of operations, liquidation of assets, seeking additional capital on less favourable terms and/or other remedial measures.

### ***Competition***

There is competition within the innovative plant-based food and beverages market. The Company will compete with other companies, many of which have greater financial, technical and other resources than the Company, as well as for the recruitment and retention of qualified employees and other personnel.

### ***Intellectual Property Risk***

The Company has developed online platforms offering plant-based products available for fast home delivery. The Company may be unable to prevent competitors from independently developing ecommerce and online platforms similar to or duplicate of the Company, and there can be no assurance that the resources invested by the Company to protect the Intellectual Property will be sufficient. The Company may be unable to secure or retain ownership or rights.

### ***Reliance on Management and Dependence on Key Personnel***

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## **COVID-19**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

**YUMY BEAR GOODS INC.**  
**Management Discussion and Analysis**  
**For the three months ended April 30, 2021**

MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”) AS OF APRIL 30, 2021 TO ACCOMPANY THE UNAUDITED FINANCIAL STATEMENTS OF YUMY BEAR GOODS INC. (THE “COMPANY” OR “YUMY”) FOR THE THREE MONTHS ENDED APRIL 30, 2021

The MD&A is dated May 31, 2021.

The following MD&A should be read in conjunction with the unaudited condensed interim financial statements of the Company for the three months ended April 30, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and the notes thereto. Unless otherwise noted, all currency amounts are in Canadian dollars.

Management is responsible for the information contained in the MD&A and its consistency with information presented, reviewed and approved by the Audit Committee and Board of Directors.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “designed”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

**DESCRIPTION OF BUSINESS**

Yummy Bear Goods Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on September 9, 2020 as Yummy Bear Goods Inc.

The Company is a food manufacturer that provides healthy vegan gummies and treats. The address of its head office is 2404-838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1C8.

## SUMMARY OF FINANCIAL RESULTS

	<b>For the three months ended April 30, 2021</b>	<b>For the period from September 9, 2020 (date of incorporation) to January 31, 2021</b>
	\$	\$
Revenue	24,059	Nil
Cost of Sales	(9,173)	Nil
Net Loss	(172,155)	(332,381)
Basic and Diluted Loss Per Share	(0.01)	(0.02)
Total Assets	2,657,281	2,503,123
Total Liabilities	2,261,815	1,935,502
Long-Term Debt	Nil	Nil
Dividends	Nil	Nil

### OPERATIONS

#### For the three months ended April 30, 2021

During the three months ended April 30, 2021, the Company recognized revenue of \$24,059, cost of sales of \$9,173 resulting to a gross profit of \$14,886.

During the three months ended April 30, 2021, the Company reported a net loss of \$172,155. The Company incurred \$1,913 in bank service charge, \$41,500 in consulting fees, \$3,528 in general and administration, \$8,796 in legal fees, \$18,000 in management fees, \$98,281 in research and development, \$14,685 in sales and marketing, and \$338 in foreign exchange loss.

#### Period from September 9, 2020 (date of incorporation) to January 31, 2021

During the period from September 9, 2020 (date of incorporation) to January 31, 2021, the Company reported a net loss of 332,381. The Company incurred \$226,582 in research and development, \$100,000 in consulting fees, \$5,000 in legal fees, \$681 in office expenses, \$85 in bank service charges, and \$33 in foreign exchange loss. Since the Company earned no revenue, losses are expected to continue.

### LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2021, the Company had working capital of \$395,466 (January 31, 2021 - \$567,621), inclusive of cash of \$2,599,020 (January 31, 2021 - \$2,491,298).

Cash used in operating activities was \$22,278 for the three months ended April 30, 2021, which was attributable to net loss of \$172,155, decrease in amounts receivable of \$1,912, increase in inventory of \$11,995, increase in prepaid expenses of \$36,353 and increase in accounts payable of \$196,313.

Cash provided by financing activities was \$130,000 for the three months ended April 30, 2021, which was attributable to cash received in advance of a private placement.

There were no cash flows from investing activities for the three months ended April 30, 2021.

Cash used in operating activities was \$308,704 for the period from September 9, 2020 (date of incorporation) to January 31, 2021, which was attributable to net loss of \$332,381, increase in amounts receivable of \$11,825 and increase in accounts payable of \$35,502.

Cash provided by financing activities was \$2,800,002 for the period from September 9, 2020 (date of incorporation) to January 31, 2021, which was attributable to the proceeds from issuance of shares and cash received in advance of a private placement.

There were no cash flows from investing activities for the period from September 9, 2020 (date of incorporation) to January 31, 2021.

The Company had cash of \$2,599,020 at April 30, 2021 and \$2,491,298 at January 31, 2021, but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

## SHARE CAPITAL

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares without par value.

On September 9, 2020, the date of incorporation, the Company issued 2,000,000 common shares at a price of \$0.000001.

In October 2020, the Company issued an aggregate of 20,000,000 units at a price of \$0.05 for gross proceeds of \$1,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company for a period of 2 years at an exercise price of \$0.05 per common share. The Company recognized \$607,868 in share capital and \$392,132 in warrant reverse using Black-Scholes Option Pricing Model. The Company also incurred share issuance costs of \$100,000 relating to the issued units.

There were no shares issued during the three months ended April 30, 2021.

As at April 30, 2021, the Company has 22,000,000 common shares issued.

During the period ended from September 9, 2020 (date of incorporation) to January 31, 2021, the Company received share subscriptions of \$1,900,000 in advance of a private placement that had not closed as at April 30, 2021.

During the three months ended April 30, 2021, the Company received share subscriptions of \$130,000 in advance of a private placement that had not closed as at April 30, 2021.

The fair value of the warrants issued were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	October 29, 2020
Estimated risk-free rate	0.21%
Expected volatility	130.63%
Estimated annual dividend yield	0.00%



Expected life of warrants	2 years
Share price at issue date	\$0.05
Forfeiture rate	0.00%

The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

As at April 30, 2021, the Company has 20,000,000 share purchase warrants outstanding.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

## **TRANSACTIONS WITH RELATED PARTIES**

During the three months ended April 31, 2021 and period from September 9, 2020 (date of incorporation) to January 31, 2021, the Company incurred the following transactions with key management personnel, not disclosed elsewhere in the condensed interim financial statements:

- Consulting fees of \$11,500 (period from September 9, 2020 (date of incorporation) to January 31, 2021 - \$50,000) to a company controlled by a director of the Company.
- Management fees of \$18,000 (period from September 9, 2020 (date of incorporation) to January 31, 2021 - \$Nil) to a company controlled by a director of the Company.
- Research and development costs of \$13,500 (period from September 9, 2020 (date of incorporation) to January 31, 2021 - \$25,000) to a director of the Company.

As at April 30, 2021, the Company had \$72,409 (January 31, 2021 - \$25,000) owing to the directors of the Company, which is included in the accounts payable. The amounts due to related parties are non-interest bearing, unsecured and had no fixed terms of repayment.

The above transactions were incurred in the normal course of operations and were carried out under normal market terms as agreed to by the related parties.

## **REVERSE TAKEOVER**

On April 1, 2021, the Company entered into a definitive agreement with Fire River Gold Corp. ("Fire River"), whereby Fire River will purchase all of the issued and outstanding shares of the Company in exchange for 22,000,000 common shares of Fire River. The Transaction will be effected by way of a statutory amalgamation between the Company and a newly formed wholly owned subsidiary of Fire River and is subject to a number of conditions including receipt of all necessary shareholder and regulatory approvals, as well as the completion of an equity financing in an amount not less than \$2,000,000 the terms of which will be announced prior to closing of the Transaction. As at May 17, 2021, the Transaction was not yet completed.

## **COMMITMENTS**

The Company is not subject to any commitments.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company's accounting policies are described in Note 4 of the unaudited financial statements for the three months ended April 30, 2021 and period from September 9, 2020 (date of incorporation) to January 31, 2021.

## **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

### **Significant estimates and assumptions**

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include:

#### ***Deferred taxes***

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

#### ***Estimated useful lives and depreciation of intangible assets***

Depreciation of finite-life intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

### **Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

## **RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, amounts receivable and accounts payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

### **Fair value**

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

As at April 30, 2021, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity. The Company's financial assets are classified as Level 1.

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At April 30, 2021, the Company had a cash balance of \$2,599,020 (January 31, 2021 - \$2,491,298) and current liabilities of \$2,261,815 (January 31, 2021 - \$1,935,502). All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as high.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at April 30, 2021, the Company is not exposed to significant market risk.

### **SUBSEQUENT EVENT**

No subsequent event.

### **BUSINESS RISK AND UNCERTAINTIES**

The following are major risk factors management has identified which relate to the Company's business activities. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

#### ***History of Operating Losses***

The Company was incorporated on September 9, 2020 and has yet to generate profit from its activities. The Company has an accumulated deficit since its incorporation through April 30, 2021 of \$504,536. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations as the Company continues its product development and establishes sales channels for its products.

#### ***Capitalization and Commercial Viability***

The Company will require additional funds to continue operations. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the

curtailment of operations, liquidation of assets, seeking additional capital on less favourable terms and/or other remedial measures.

### ***Competition***

There is competition within the innovative plant-based food and beverages market. The Company will compete with other companies, many of which have greater financial, technical and other resources than the Company, as well as for the recruitment and retention of qualified employees and other personnel.

### ***Intellectual Property Risk***

The Company has developed online platforms offering plant-based products available for fast home delivery. The Company may be unable to prevent competitors from independently developing ecommerce and online platforms similar to or duplicate of the Company, and there can be no assurance that the resources invested by the Company to protect the Intellectual Property will be sufficient. The Company may be unable to secure or retain ownership or rights.

### ***Reliance on Management and Dependence on Key Personnel***

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## **COVID-19**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

**SCHEDULE "E"**

**RESULTING ISSUER PRO FORMA CONSOLIDATED BALANCE SHEET**

(See attached)

**Yummy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**

**Pro-Forma Financial Statements**

**April 30, 2021**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**Yumy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Pro-Forma Statement of Financial Position**  
**(Expressed in Canadian Dollars) (Unaudited)**

	<u>Yumy Bear Goods</u> <u>Inc.</u> <u>April 30, 2021</u> <u>(unaudited)</u>	<u>Fire River Gold</u> <u>Corp.</u> <u>October 31, 2020</u> <u>(audited)</u>	Notes	Pro-Forma Adjustments	Pro-Forma <u>(unaudited)</u>
<b>Assets</b>					
Current assets:					
Cash	\$ 2,599,020	\$ 2,115	2(b) 2(c)	\$ 1,000,000 1,050,000	\$ 4,651,135
GST recoverable	11,995	-		-	11,995
Inventory	9,913	-		-	9,913
Prepaid expenses	36,353	-		-	36,353
<b>Total Assets:</b>	<b>\$ 2,657,281</b>	<b>\$ 2,115</b>		<b>\$ 2,050,000</b>	<b>\$ 4,709,396</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 231,815	\$ 750,078		\$ -	\$ 981,893
Subscription received	2,030,000	-	2(c)	(2,030,000)	-
Loan payable	-	402,368		-	402,368
<b>Total Liabilities:</b>	<b>2,261,815</b>	<b>1,152,446</b>		<b>(2,030,000)</b>	<b>1,384,261</b>
<b>Equity</b>					
Share capital	507,870	39,172,995	2(a) 2(c)	(39,172,995) 1,442,619 3,080,000	5,030,489
Reserves	392,132	18,029,569		(18,029,569)	392,132
Deficit	(504,536)	(58,352,895)		58,352,895	(2,097,486)
Listing expense	-	-	2(a)	(1,592,950)	
<b>Total Equity:</b>	<b>395,466</b>	<b>(1,150,331)</b>		<b>4,080,000</b>	<b>3,325,135</b>
<b>Total Liabilities and Equity:</b>	<b>\$ 2,657,281</b>	<b>\$ 2,115</b>		<b>\$ 2,050,000</b>	<b>\$ 4,709,396</b>

*The accompanying notes are an integral part of these pro-forma statement of financial position.*



**Yumy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Pro-Forma Statement of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars) (Unaudited)**

	<u>Yumy Bear Goods</u> <u>Inc.</u> <i>For the three</i> <i>months ended April</i> <i>30, 2021</i>	<u>Fire River Gold</u> <u>Corp.</u> <i>For the year</i> <i>ended</i> <i>October 31, 2020</i>	Notes	Pro-Forma Adjustment	Pro-Forma
<b>Revenue</b>	\$ 24,059	\$ -		\$ -	\$ 24,059
<b>Cost of Sales</b>	9,173	-		-	9,173
<b>Gross Profit</b>	14,886	-		-	14,886
<b>Operating Expenses</b>					
Accounting fees	-	11,012		-	11,012
Bank service expenses	1,913	37		-	1,950
Consulting expenses	41,500	77,700		-	119,200
Filing and listing fees	-	8,840		-	8,840
Interest expenses	-	33,533		-	33,533
Legal fees	8,796	5,080		-	13,876
Management fees	18,000	-		-	18,000
Office and rent expenses	3,528	24,469		-	27,997
Research and development	98,281	-		-	99,781
Sales and marketing	14,685	-		-	13,185
	<b>(186,703)</b>	<b>(160,671)</b>		-	<b>(347,374)</b>
<b>Operating Loss for the Period</b>	<b>(171,817)</b>	<b>(160,671)</b>		-	<b>(332,488)</b>
<b>Other Items</b>					
Foreign exchange loss	(338)	(172)		-	(510)
Listing expense	-	-	2(a)	(1,592,950)	(1,592,950)
<b>Loss and Comprehensive Loss for the Period</b>	<b>\$ (172,155)</b>	<b>\$ (160,843)</b>		<b>\$ (1,592,950)</b>	<b>\$ (1,925,948)</b>
Loss per Share – Basic and Diluted	\$ (0.01)	\$ (0.15)			\$ (0.07)
<b>Weighted Average Number of Shares Outstanding – Basic and Diluted</b>	<b>22,000,000</b>	<b>1,053,857</b>			<b>27,488,132</b>

*The accompanying notes are an integral part of these pro-forma statement of loss and comprehensive loss.*

**Yumy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Notes to the Pro-Forma Financial Statements**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **1. BASIS OF PRESENTATION**

The unaudited pro-forma financial statements of Yumy Bear Goods Inc. (the “Company”), formerly Fire River Gold Corp. (“Fire River”) have been prepared by Management in accordance with International Financial Reporting Standards (“IFRS”). In the opinion of Management, these unaudited pro-forma financial statements include all adjustments necessary for fair presentation.

The unaudited pro-forma financial statements should be read in conjunction with the financial information of Yumy Bear Goods Inc. as of April 30, 2021 and the financial statements and notes thereto. The unaudited pro-forma financial statements are not intended to reflect the results of operations or the financial position of the continuing entity, Yumy Bear Goods Inc., which would have resulted had the proposed transactions been effected on the dates indicated. Further, the unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

The unaudited pro-forma financial statements have been prepared for inclusion in the Listing Statement of the Company, which contains the details of the Business Combination Agreement (the “**Agreement**”) and associated financing whereby the Company acquired all of the issued and outstanding common shares of Yumy Bear Goods Inc. (“Yumy”) in exchange of 22,000,000 post-Consolidation common shares of the Company following a one (1) for three (3) consolidation of the Company’s issued and outstanding shares (the “**Acquisition**”). Following completion of the Acquisition, the Company owned 100% of the issued and outstanding common shares of Yumy, and Yumy became the Company’s principal operating subsidiary.

The unaudited pro-forma financial statements of the Company has been compiled from:

- (a) The audited financial statements of Fire River Gold Corp. as at October 31, 2020 and for the year then ended;
- (b) the unaudited financial statements of Yumy Bear Goods Inc. as at April 30, 2021 and for the three months then ended; and
- (c) the additional information set out in note 2.

The unaudited pro-forma statement of financial position has been prepared as if the Acquisition described in note 2 had occurred on April 30, 2021.

## **2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS**

The unaudited pro-forma financial statements have been presented giving effect to the following assumptions and pro-forma adjustments:

- (a) On June 29, 2021, the Company and Yumy completed the Acquisition pursuant to which the shareholders of Yumy exchanged their shares for post-consolidation common shares of the Company on a 1 for 3 basis, such that the shareholders of Yumy will receive an aggregate 22,000,000 post-Consolidation shares of the Company.

Immediately prior to the acquisition, the Company had 10,304,415 common shares outstanding. In connection with the Acquisition, the Company consolidated its outstanding common shares (the “**Consolidation**”) on the basis of one (1) post-Consolidation common share (the “**Post-Consolidation Shares**”) for every three (3) pre-Consolidation common shares. Upon completion of the Consolidation, the Company had 3,434,804 Post-Consolidation Shares issued and outstanding.

The transaction was accounted for as a reverse takeover whereby Yumy obtained a listing on the CSE as well as obtaining financing for the further development of its business. Management determined that, for accounting purposes, the acquirer was Yumy on the basis that:

**Yumy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Notes to the Pro-Forma Financial Statements**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (continued)**

- The shareholders of Yumy obtained a larger number of the combined entity's common shares than the existing shareholders, taking into consideration the outstanding warrants;
- Senior management of the Company, subsequent to the transaction, is substantially comprised of that of Yumy Management;

Fire River does not meet the definition of a business, therefore the transaction is outside of the scope of IFRS 3 *Business Combinations*. Instead, the transaction will be accounted for under IFRS 2 *Share-based Payment*. Under this basis of accounting, the consolidated entity is considered to be a continuation of Yumy, with the net identifiable assets of Fire River deemed to have been acquired by Yumy. The results of operations from Fire River are included in the financial statements up to the date of acquisition.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired and liabilities assumed as the date of acquisition:

Fair value of consideration (3,434,804 shares at \$0.42 per share) *	\$	1,442,619
Allocated as follows:		
Identified fair value of net assets:		
Cash	\$	1,002,115
Loan payable		(402,368)
Accounts payable and accrued liabilities		(750,078)
		(150,331)
Listing Expense	\$	1,592,950

\*The fair value of the 3,434,804 shares issued was estimated to be \$0.42 per share using the price of the recent private placement (Note 2(b)).

The capital structure recognized in the unaudited pro forma statement of financial position is that of Fire River but the dollar amount of the issued share capital immediately prior to the completion of the transaction is that of Yumy plus the value of shares issued by Fire River to acquire Yumy.

- (b) On March 10, 2021, Fire River completed a private placement (the "**Private Placement**") of 2,380,948 post-Consolidation common shares at a price of \$0.42 per Fire River Common Share for gross proceeds of \$1,000,000.
- (c) In connection with the acquisition, the resulting issuer is expected to complete a private placement of 2,053,328 common shares at a price of \$1.50 per resulting issuer shares for the gross proceeds of \$3,080,000.

Following the completion of the Consolidation, Private Placement, and Amalgamation, the Company will have an aggregate of 27,488,132 Common Shares outstanding with Yumy Amalco operating as a wholly owned subsidiary of the Company operating the business of Yumy.

**Yummy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Notes to the Pro-Forma Financial Statements**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**3. PRO-FORMA SHARE CAPITAL**

After giving effect to the pro-forma adjustments and assumptions in Note 2, the issued and fully paid share capital of the Company would be as follows:

	Note	Share Capital				
		Shares	Amount	Reserves	Deficit	Total Equity
			\$	\$	\$	\$
Common shares of Yummy issued and outstanding as at April 30, 2021		22,000,000	507,870	392,132	(504,536)	395,466
Common shares of Fire River issued and outstanding as at October 31, 2020 (post-Consolidation)		1,053,857	39,172,995	18,029,569	-	57,202,564
Common shares of Fire River issued subsequent to October 31, 2020 (post-Consolidation)	2(b)	2,380,948	530,490	426,988	-	957,478
<i>Effect of transaction:</i>						
Cancellation of Yummy shares		(22,000,000)	-	-	-	-
Issuance of Fire River shares to Yummy pursuant to the amalgamation	2(a)	22,000,000	-	-	-	-
Fair value of shares deemed issued by Yummy to Fire River	2(a)	-	1,442,619	-	-	1,442,619
Issuance of resulting issuer shares pursuant to anticipated financing following the acquisition	2(c)	2,053,328	3,080,000	-	-	3,080,000
Elimination of Fire River capital value		-	(39,703,485)	(18,456,557)	-	(58,160,042)
Listing expense	2(a)	-	-	-	(1,592,950)	(1,592,950)
<b>Balance</b>		<b>27,488,132</b>	<b>5,030,489</b>	<b>392,132</b>	<b>(2,097,486)</b>	<b>3,325,135</b>

**4. EFFECTIVE TAX RATE**

The pro-forma effective income tax rate applicable to the operations subsequent to the completion of the Amalgamation is 27%.

**Yummy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**

**Pro-Forma Financial Statements**

**April 30, 2021**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**Yummy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Pro-Forma Statement of Financial Position**  
**(Expressed in Canadian Dollars) (Unaudited)**

	<u>Yummy Bear Goods</u> <u>Inc.</u> <u>April 30, 2021</u> <u>(unaudited)</u>		<u>Fire River Gold</u> <u>Corp.</u> <u>April 30, 2021</u> <u>(unaudited)</u>		<u>Notes</u>	<u>Pro-Forma</u> <u>Adjustments</u>		<u>Pro-Forma</u> <u>(unaudited)</u>	
<b>Assets</b>									
Current assets:									
Cash	\$	2,599,020	\$	991,563	2(b)	\$	1,050,000	\$	4,640,583
GST recoverable		9,913		-			-		9,913
Inventory		11,995		-			-		11,995
Prepaid expenses		36,353		-			-		36,353
<b>Total Assets:</b>	<b>\$</b>	<b>2,657,281</b>	<b>\$</b>	<b>991,563</b>		<b>\$</b>	<b>1,050,000</b>	<b>\$</b>	<b>4,698,844</b>
<b>Liabilities</b>									
Current liabilities:									
Accounts payable and accrued liabilities	\$	231,815	\$	878,054		\$	-	\$	1,109,869
Subscription received		2,030,000		-	2(b)		(2,030,000)		-
Loan payable		-		421,071			-		421,071
<b>Total Liabilities:</b>		<b>2,261,815</b>		<b>1,299,125</b>			<b>(2,030,000)</b>		<b>1,530,940</b>
<b>Equity</b>									
Share capital		507,870		39,703,485			(39,703,485)		5,030,489
					2(a)		1,442,619		
					2(b)		3,080,000		
Reserves		392,132		18,456,557			(18,456,557)		392,132
Deficit		(504,536)		(58,467,604)			58,467,604		(2,254,717)
Listing expense					2(a)		(1,750,181)		
<b>Total Equity:</b>		<b>395,466</b>		<b>(307,562)</b>			<b>3,080,000</b>		<b>3,167,904</b>
<b>Total Liabilities and Equity:</b>	<b>\$</b>	<b>2,657,281</b>	<b>\$</b>	<b>991,563</b>		<b>\$</b>	<b>1,050,000</b>	<b>\$</b>	<b>4,698,844</b>

*The accompanying notes are an integral part of these pro-forma statement of financial position.*

**Yumy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Pro-Forma Statement of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars) (Unaudited)**

	<u>Yumy Bear Goods</u> <u>Inc.</u> <i>For the three</i> <i>months ended</i> <i>April 30, 2021</i> <i>(unaudited)</i>		<u>Fire River Gold</u> <u>Corp.</u> <i>For the six</i> <i>months ended</i> <i>April 30, 2021</i> <i>(unaudited)</i>		Notes	Pro-Forma Adjustment	Pro-Forma
<b>Revenue</b>	\$	24,059	\$	-		\$	\$ 24,059
<b>Costs of sales</b>		9,173		-			9,173
		14,886		-			14,886
<b>Operating Expenses</b>							
Bank service expenses		1,913		69			1,982
Consulting expenses		41,500		31,500			73,000
Filing and listing fees		-		17,310			17,310
Legal fees		8,796		41,023			49,819
Management fees		18,000		628			18,628
Office and rent expenses		3,528		7,025			10,553
Research and development		98,281		-			98,281
Sales and marketing		14,685		-			14,685
		<b>(186,703)</b>		<b>(116,258)</b>			<b>(302,961)</b>
<b>Operating Loss for the Period</b>		<b>(171,817)</b>		<b>(116,258)</b>			<b>(288,075)</b>
<b>Other Items</b>							
Foreign exchange gain (loss)		(338)		1,549			1,211
Listing expense		-		-	2(a)	(1,750,181)	(1,750,181)
<b>Loss and Comprehensive Loss for the Period</b>	\$	<b>(172,155)</b>	\$	<b>(114,709)</b>		\$ <b>(1,750,181)</b>	\$ <b>(2,037,045)</b>
Loss per Share – Basic and Diluted	\$	(0.01)	\$	(0.07)		\$	(0.07)
<b>Weighted Average Number of Shares</b>							
<b>Outstanding – Basic and Diluted</b>		<b>22,000,000</b>		<b>1,711,578</b>			<b>27,488,132</b>

The accompanying notes are an integral part of these pro-forma statement of loss and comprehensive loss.

**Yummy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Notes to the Pro-Forma Financial Statements**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **1. BASIS OF PRESENTATION**

The unaudited pro-forma financial statements of Yummy Bear Goods Inc. (the “Company”), formerly Fire River Gold Corp. (“Fire River”), have been prepared by Management in accordance with International Financial Reporting Standards (“IFRS”). In the opinion of Management, these unaudited pro-forma financial statements include all adjustments necessary for fair presentation.

The unaudited pro-forma financial statements should be read in conjunction with the financial information of Yummy Bear Goods Inc. as of April 30, 2021 and the financial statements and notes thereto. The unaudited pro-forma financial statements are not intended to reflect the results of operations or the financial position of the continuing entity, Yummy Bear Goods Inc., which would have resulted had the proposed transactions been effected on the dates indicated. Further, the unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

The unaudited pro-forma financial statements have been prepared for inclusion in the Listing Statement of the Company, which contains the details of the Business Combination Agreement (the “Agreement”) and associated financing whereby the Company acquired all of the issued and outstanding common shares of Yummy Bear Goods Inc. (“Yummy”) in exchange of 22,000,000 post-Consolidation common shares of the Company following a one (1) for three (3) consolidation of the Company’s issued and outstanding shares (the “Acquisition”). Following completion of the Acquisition, the Company owned 100% of the issued and outstanding common shares of Yummy, and Yummy became the Company’s principal operating subsidiary.

The unaudited pro-forma financial statements of the Company has been compiled from:

- (a) The unaudited condensed interim financial statements of Fire River Gold Corp. as at April 30, 2021 and for the six months then ended;
- (b) the unaudited financial statements of Yummy Bear Goods Inc. as at April 30, 2021 and for the three months then ended; and
- (c) the additional information set out in note 2.

The unaudited pro-forma statement of financial position has been prepared as if the acquisition described in note 2 had occurred on April 30, 2021.

## **2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS**

The unaudited pro-forma financial statements have been presented giving effect to the following assumptions and pro-forma adjustments:

- (a) On June 29, 2021, the Company and Yummy completed the Acquisition pursuant to which the shareholders of Yummy exchanged their shares for post-consolidation common shares of the Company on a 1 for 3 basis, such that the shareholders of Yummy will receive an aggregate 22,000,000 post-Consolidation shares of the Company.

Immediately prior to the Acquisition, the Company had 10,304,415 common shares outstanding. In connection with the Acquisition, the Company consolidated its outstanding common shares (the “**Consolidation**”) on the basis of one (1) post-Consolidation common share (the “**Post-Consolidation Shares**”) for every three (3) pre-Consolidation common shares. Upon completion of the Consolidation, the Company had 3,434,804 Post-Consolidation Shares issued and outstanding.

The transaction was accounted for as a reverse takeover whereby Yummy obtained a listing on the CSE as well as obtaining financing for the further development of its business. Management determined that, for accounting purposes, the acquirer was Yummy on the basis that:



**Yumy Bear Goods Inc.**  
**(formerly Fire River Gold Corp.)**  
**Notes to the Pro-Forma Financial Statements**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (continued)**

- The shareholders of Yumy obtained a larger number of the combined entity's common shares than the existing shareholders, taking into consideration the outstanding warrants;
- Senior management of the Company, subsequent to the transaction, is substantially comprised of that of Yumy Management;

Fire River does not meet the definition of a business, therefore the transaction is outside of the scope of IFRS 3 *Business Combinations*. Instead, the transaction will be accounted for under IFRS 2 *Share-based Payment*. Under this basis of accounting, the consolidated entity is considered to be a continuation of Yumy, with the net identifiable assets of Fire River deemed to have been acquired by Yumy. The results of operations from Fire River are included in the financial statements up to the date of acquisition.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired and liabilities assumed as the date of acquisition:

Fair value of consideration (3,434,804 shares at \$0.42 per share) *	\$	1,442,619
Allocated as follows:		
Identified fair value of net assets:		
Cash	\$	991,563
Loan payable		(421,071)
Accounts payable and accrued liabilities		(878,054)
		(307,562)
Listing Expense	\$	1,750,181

\*The fair value of the 3,434,804 shares issued was estimated to be \$0.42 per share using the price of the recent private placement (Note 2(b)).

The capital structure recognized in the unaudited pro forma statement of financial position is that of Fire River but the dollar amount of the issued share capital immediately prior to the completion of the transaction is that of Yumy plus the value of shares issued by Fire River to acquire Yumy.

- (b) In connection with the acquisition, the resulting issuer is expected to complete a private placement of 2,053,328 common shares at a price of \$1.50 per resulting issuer shares for the gross proceeds of \$3,080,000.

Following the completion of the Consolidation, Private Placement, and Amalgamation, the Company will have an aggregate of 27,488,132 Common Shares outstanding with Yumy Amalco operating as a wholly owned subsidiary of the Company operating the business of Yumy.

**Yummy Bear Goods Inc.**  
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**Notes to the Pro-Forma Financial Statements**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**3. PRO-FORMA SHARE CAPITAL**

After giving effect to the pro-forma adjustments and assumptions in Note 2, the issued and fully paid share capital of the Company would be as follows:

	Note	Share Capital				
		Shares	Amount	Reserves	Deficit	Total Equity
			\$	\$	\$	\$
Common shares of Yummy issued and outstanding as at April 30, 2021		22,000,000	507,870	392,132	(504,536)	395,466
Common shares of Fire River issued and outstanding as at April 30, 2021 (post-Consolidation)		3,434,804	39,703,485	18,456,557		58,160,042
<i>Effect of transaction:</i>						
Cancellation of Yummy shares		(22,000,000)	-	-	-	-
Issuance of Fire River shares to Yummy pursuant to the amalgamation	2(a)	22,000,000	-	-	-	-
Fair value of shares deemed issued by Yummy to Fire River	2(a)	-	1,442,619	-	-	1,442,619
Issuance of resulting issuers shares pursuant to anticipated concurrent financing following the RTO	2(b)	2,053,328	3,080,000	-	-	<b>3,080,000</b>
Elimination of Fire River capital value		-	(39,703,485)	(18,456,557)		(58,160,042)
Listing expense	2(a)	-	-	-	(1,750,181)	<b>(1,750,181)</b>
<b>Balance</b>		<b>27,488,132</b>	<b>5,030,489</b>	<b>392,132</b>	<b>(2,254,717)</b>	<b>3,167,904</b>

**4. EFFECTIVE TAX RATE**

The pro-forma effective income tax rate applicable to the operations subsequent to the completion of the Amalgamation is 27%.

## SCHEDULE "F"

### AUDIT COMMITTEE CHARTER OF THE RESULTING ISSUER

#### ***Mandate***

The primary function of the audit committee ("Committee") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Resulting Issuer to regulatory authorities and shareholders; (b) the Resulting Issuer's systems of internal controls regarding finance, accounting and auditing; and (c) the Resulting Issuer's financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Resulting Issuer's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Resulting Issuer's financial reporting and internal control system and review the Resulting Issuer's financial statements; (ii) review and appraise the performance of the Resulting Issuer's external auditors; (iii) provide an open avenue of communication among The Resulting Issuer's auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

#### ***Composition***

The Committee's composition shall be determined by the Board of Directors. Ideally, all members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Resulting Issuer's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can presumably be expected to be raised by the Resulting Issuer's financial statements. The Committee must comply with the requirements of National Instrument 52-110 - *Audit Committees*.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual Shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### ***Meetings***

The Committee shall meet at least one (1) time annually, or more frequently as circumstances dictate, in person or by telephone conference call. The audit committee shall meet at least annually with the Resulting Issuer's Chief Financial Officer and external auditors in separate executive sessions.

#### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

##### Documents/Reports Review

- (a) Review and, as necessary or appropriate, update the Charter annually.
- (b) Review the Resulting Issuer's annual and interim financial statements, MD&A, any earning statements, and press releases before the Resulting Issuer publicly discloses this information as well as any reports or other financial information to be submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### External Auditors

- (c) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Resulting Issuer.
- (d) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Resulting Issuer.
- (e) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (f) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (g) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for Shareholder approval.
- (h) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Resulting Issuer's accounting principles, internal controls and the completeness and accuracy of the Resulting Issuer's financial statements.
- (i) Review and approve the Resulting Issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Resulting Issuer.
- (j) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (k) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Resulting Issuer's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Resulting Issuer constitutes not more than 5% of the total amount of revenues paid by the Resulting Issuer to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Resulting Issuer at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Resulting Issuer and approved prior to the Closing of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.
- (l) Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### Financial Reporting Processes

- (m) In consultation with the external auditors, review with management the integrity of The Resulting Issuer's financial reporting process, both internal and external.
- (n) Consider the external auditor's judgments about the quality and appropriateness of The Resulting Issuer's accounting principles as applied in its financial reporting.

- (o) Consider and approve, if appropriate, changes to the Resulting Issuer's auditing and accounting principles and practices as suggested by the external auditors and management.
- (p) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
- (q) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (r) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (s) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (t) Review certification process for certificates required under National Instrument 52-109.
- (u) Establish a procedure for the confidential, anonymous submission by employees of the Resulting Issuer of concerns regarding questionable accounting or auditing matters.

Other

- (v) Review any related party transactions.
- (w) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("Concerns") relating to the Resulting Issuer such that:
  - (i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
  - (ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
  - (iii) the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.